

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)
 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-39335

Repare Therapeutics Inc.

(Exact Name of Registrant as Specified in its Charter)

Québec

(State or other jurisdiction of
incorporation or organization)

7171 Frederick-Banting, Building 2, Suite 270

St-Laurent, Québec, Canada

(Address of principal executive offices)

Not applicable

(I.R.S. Employer
Identification No.)

H4S 1Z9

(Zip Code)

Registrant's telephone number, including area code: (857) 412-7018

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, no par value	RPTX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 3, 2023, there were 42,129,651 of the registrant's common shares, no par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future financial condition, future operations, research and development costs, plans and objectives of management, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “design,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “positioned,” “potential,” “seek,” “should,” “target,” “will,” “would” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report on Form 10-Q, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain.

The forward-looking statements in this Quarterly Report on Form 10-Q include, among other things, statements about:

- the initiation, timing, progress and results of our current and future preclinical studies and clinical trials and related preparatory work and the period during which the results of the trials will become available, as well as our research and development programs;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our ability to obtain regulatory approval of lunresertib (also known as RP-6306) and any of our other current and future product candidates that we develop;
- our ability to identify and develop additional product candidates using our SNIPRx platform;
- business disruptions affecting the initiation, patient enrollment, development and operation of our clinical trials, including a public health emergency or pandemic, such as the coronavirus disease, or COVID-19 pandemic;
- the evolving impact of macroeconomic events, including the COVID-19 pandemic, changes in inflation, the U.S. Federal Reserve raising interest rates, disruptions in access to bank deposits or lending commitments due to bank failures and the Russia-Ukraine and Hamas-Israel wars, on our operations, supply chains, general economic conditions, our ability to raise additional capital, and the continuity of our business, including our preclinical studies and clinical trials;
- our ability to enroll patients in clinical trials, to timely and successfully complete those trials and to receive necessary regulatory approvals;
- the timing of completion of enrollment and availability of data from our current preclinical studies and clinical trials, including our Phase 1 clinical trials of lunresertib;
- the expected timing of filings with regulatory authorities for any product candidates that we develop;
- our expectations regarding the potential market size and the rate and degree of market acceptance for any current or future product candidates that we develop;
- our ability to receive any milestone or royalty payments under our collaboration and license agreements;
- the effects of competition with respect to lunresertib, camonsertib, or any of our other current or future product candidates, as well as innovations by current and future competitors in our industry;
- our ability to fund our working capital requirements;
- our intellectual property position, including the scope of protection we are able to establish, maintain and enforce for intellectual property rights covering our product candidates;
- our financial performance and our ability to effectively manage our anticipated growth;
- our ability to obtain additional funding for our operations; and
- other risks and uncertainties, including those listed under the section titled “Risk Factors” in this Quarterly Report and elsewhere in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the Securities and Exchange Commission (the “SEC”) on February 28, 2023.

Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth, and involve known and unknown risks, uncertainties and other factors including, without limitation, risks, uncertainties and assumptions regarding the impact of the macroeconomic events, including the COVID-19 pandemic, on our business, operations, strategy, goals and anticipated timelines, our ongoing and planned preclinical activities, our ability to initiate, enroll, conduct or complete ongoing and planned clinical trials, our timelines for regulatory submissions and our financial position that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity,

performance or achievements expressed or implied by these forward-looking statements. You are urged to carefully review the disclosures we make concerning these risks and other factors that may affect our business and operating results in this Quarterly Report on Form 10-Q. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Except as required by law, we do not intend, and undertake no obligation, to update any forward-looking information to reflect events or circumstances.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Repare Therapeutics Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(Amounts in thousands of U.S. dollars, except share data)

	As of September 30, 2023	As of December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 107,369	\$ 159,521
Marketable securities	142,703	184,420
Income tax receivable	15,739	—
Other current receivables	3,731	4,323
Prepaid expenses	5,551	5,715
Total current assets	275,093	353,979
Property and equipment, net	4,722	4,228
Operating lease right-of-use assets	3,883	5,371
Income tax receivable	2,312	—
Other assets	397	497
TOTAL ASSETS	\$ 286,407	\$ 364,075
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,438	\$ 461
Accrued expenses and other current liabilities	20,729	21,645
Operating lease liability, current portion	2,333	2,171
Deferred revenue, current portion	20,472	53,102
Income tax payable	—	1,240
Total current liabilities	48,972	78,619
Operating lease liability, net of current portion	1,591	3,257
Deferred revenue, net of current portion	2,476	2,682
TOTAL LIABILITIES	53,039	84,558
SHAREHOLDERS' EQUITY		
Preferred shares, no par value per share; unlimited shares authorized as of September 30, 2023 and December 31, 2022, respectively; 0 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively	—	—
Common shares, no par value per share; unlimited shares authorized as of September 30, 2023 and December 31, 2022; 42,129,251 and 42,036,193 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	483,184	482,032
Additional paid-in capital	55,515	37,226
Accumulated other comprehensive loss	(252)	(428)
Accumulated deficit	(305,079)	(239,313)
Total shareholders' equity	233,368	279,517
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 286,407	\$ 364,075

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Repare Therapeutics Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(Amounts in thousands of U.S. dollars, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue:				
Collaboration agreements	\$ 2,159	\$ 112,545	\$ 38,086	\$ 113,632
Operating expenses:				
Research and development, net of tax credits	32,709	31,242	98,327	89,175
General and administrative	7,868	7,904	25,116	24,621
Total operating expenses	40,577	39,146	123,443	113,796
(Loss) income from operations	(38,418)	73,399	(85,357)	(164)
Other income (expense), net				
Realized and unrealized (loss) gain on foreign exchange	(40)	126	(137)	250
Interest income	3,312	2,027	10,228	2,700
Other expense	(32)	(37)	(73)	(56)
Total other income, net	3,240	2,116	10,018	2,894
(Loss) income before income taxes	(35,178)	75,515	(75,339)	2,730
Income tax recovery (expense)	16,299	(54)	9,573	(119)
Net (loss) income	\$ (18,879)	\$ 75,461	\$ (65,766)	\$ 2,611
Other comprehensive (loss) gain:				
Unrealized gain (loss) on available-for-sale marketable securities	\$ 172	\$ (524)	\$ 176	\$ (524)
Total other comprehensive gain (loss)	172	(524)	176	(524)
Comprehensive (loss) income	\$ (18,707)	\$ 74,937	\$ (65,590)	\$ 2,087
Net (loss) income per share attributable to common shareholders:				
Basic	\$ (0.45)	\$ 1.80	\$ (1.56)	\$ 0.06
Diluted	\$ (0.45)	\$ 1.71	\$ (1.56)	\$ 0.06
Weighted-average common shares outstanding:				
Basic	42,102,685	41,945,617	42,077,857	41,902,554
Diluted	42,102,685	44,177,376	42,077,857	44,160,481

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Repare Therapeutics Inc.
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)
(Amounts in thousands of U.S. dollars, except share data)

	Common Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				
Balance, December 31, 2021	41,850,162	\$ 480,699	\$ 17,988	\$ —	\$ (210,266)	\$ 288,421
Exercise of stock options	12,235	46	(18)	—	—	28
Share-based compensation expense	—	—	4,755	—	—	4,755
Issuance of common shares under the 2020 Employee Share Purchase Plan	16,807	303	(90)	—	—	213
Net loss and comprehensive loss	—	—	—	—	(34,757)	(34,757)
Balance, March 31, 2022	<u>41,879,204</u>	<u>\$ 481,048</u>	<u>\$ 22,635</u>	<u>\$ —</u>	<u>\$ (245,023)</u>	<u>\$ 258,660</u>
Exercise of stock options	44,268	332	(127)	—	—	205
Share-based compensation expense	—	—	4,745	—	—	4,745
Net loss and comprehensive loss	—	—	—	—	(38,093)	(38,093)
Balance, June 30, 2022	<u>41,923,472</u>	<u>\$ 481,380</u>	<u>\$ 27,253</u>	<u>\$ —</u>	<u>\$ (283,116)</u>	<u>\$ 225,517</u>
Exercise of stock options	16,930	80	(30)	—	—	50
Share-based compensation expense	—	—	5,053	—	—	5,053
Issuance of common shares under the 2020 Employee Share Purchase Plan	21,108	322	(103)	—	—	219
Other comprehensive loss	—	—	—	(524)	—	(524)
Net income	—	—	—	—	75,461	75,461
Balance, September 30, 2022	<u>41,961,510</u>	<u>\$ 481,782</u>	<u>\$ 32,173</u>	<u>\$ (524)</u>	<u>\$ (207,655)</u>	<u>\$ 305,776</u>
Balance, December 31, 2022	42,036,193	\$ 482,032	\$ 37,226	\$ (428)	\$ (239,313)	\$ 279,517
Exercise of stock options	2,000	7	(3)	—	—	4
Share-based compensation expense	—	—	6,062	—	—	6,062
Issuance of common shares under the 2020 Employee Share Purchase Plan	41,703	638	(229)	—	—	409
Other comprehensive gain	—	—	—	193	—	193
Net loss	—	—	—	—	(34,941)	(34,941)
Balance, March 31, 2023	<u>42,079,896</u>	<u>\$ 482,677</u>	<u>\$ 43,056</u>	<u>\$ (235)</u>	<u>\$ (274,254)</u>	<u>\$ 251,244</u>
Exercise of stock options	14,050	62	(22)	—	—	40
Share-based compensation expense	—	—	6,265	—	—	6,265
Other comprehensive loss	—	—	—	(189)	—	(189)
Net loss	—	—	—	—	(11,946)	(11,946)
Balance, June 30, 2023	<u>42,093,946</u>	<u>\$ 482,739</u>	<u>\$ 49,299</u>	<u>\$ (424)</u>	<u>\$ (286,200)</u>	<u>\$ 245,414</u>
Exercise of stock options	1,400	6	(2)	—	—	4
Share-based compensation expense	—	—	6,377	—	—	6,377
Issuance of common shares under the 2020 Employee Share Purchase Plan	33,905	439	(159)	—	—	280
Other comprehensive gain	—	—	—	172	—	172
Net loss	—	—	—	—	(18,879)	(18,879)
Balance, September 30, 2023	<u>42,129,251</u>	<u>\$ 483,184</u>	<u>\$ 55,515</u>	<u>\$ (252)</u>	<u>\$ (305,079)</u>	<u>\$ 233,368</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

Repare Therapeutics Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Amounts in thousands of U.S. dollars)

	Nine Months Ended September 30,	
	2023	2022
Cash Flows From Operating Activities:		
Net (loss) income for the period	\$ (65,766)	\$ 2,611
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	18,704	14,553
Depreciation expense	1,445	1,523
Non-cash lease expense	1,637	1,643
Foreign exchange loss (gain)	71	(230)
Net (accretion)/amortization of marketable securities	(5,809)	(733)
Deferred tax	—	(3,857)
Changes in operating assets and liabilities:		
Prepaid expenses	167	676
Other current receivables	559	(10,797)
Other non-current assets	100	89
Accounts payable	4,587	7,066
Accrued expenses and other current liabilities	(916)	(1,291)
Operating lease liability, current portion	117	536
Income taxes	(19,291)	(1,152)
Operating lease liability, net of current portion	(1,771)	(1,672)
Deferred revenue	(32,836)	20,994
Net cash (used in) provided by operating activities	(99,002)	29,959
Cash Flows From Investing Activities:		
Purchases of property and equipment	(1,540)	(2,322)
Proceeds from maturities of marketable securities	222,000	6,400
Purchase of marketable securities	(174,298)	(213,914)
Net cash provided by (used in) investing activities	46,162	(209,836)
Cash Flows From Financing Activities:		
Proceeds from exercise of stock options	48	283
Proceeds from issuance of common stock under the 2020 Employee Share Purchase Plan	689	432
Net cash provided by financing activities	737	715
Effect of exchange rate fluctuations on cash held	(49)	(74)
Net Decrease In Cash And Cash Equivalents	(52,152)	(179,236)
Cash and cash equivalents at beginning of period	159,521	334,427
Cash and cash equivalents at end of period	<u>\$ 107,369</u>	<u>\$ 155,191</u>
Supplemental Disclosure Of Cash Flow Information:		
Property and equipment purchases incurred but not yet paid	\$ 399	\$ —
Right-of-use asset obtained in exchange for new operating lease liability	\$ 149	\$ 56

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

REPARE THERAPEUTICS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in U.S. dollars, unless otherwise specified)

1. Organization and Nature of Business

Repare Therapeutics Inc. (“Repare” or the “Company”) is a precision medicine oncology company focused on the development of synthetic lethality-based therapies for patients with cancer. The Company was incorporated under the *Canada Business Corporations Act* on September 6, 2016. On June 23, 2020, immediately prior to the completion of its initial public offering (the “IPO”), the Company was continued as a corporation under the *Business Corporations Act (Québec)*. The Company’s common shares are listed on the Nasdaq Global Select Market under the ticker symbol “RPTX”.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America (“U.S. GAAP”). Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification (“ASC”) and as amended by Accounting Standards Updates (“ASU”) of the Financial Accounting Standards Board (“FASB”).

The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements as of and for the year ended December 31, 2022, and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation of the Company’s consolidated financial position as of September 30, 2023, the consolidated results of its operations for the three and nine months ended September 30, 2023 and 2022, its statements of shareholders’ equity for the three and nine months ended September 30, 2023 and 2022 and its consolidated cash flows for the nine months ended September 30, 2023 and 2022.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the accompanying notes for the year ended December 31, 2022 included in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the “SEC”) on February 28, 2023 (the “Annual Report”). The condensed consolidated balance sheet data as of December 31, 2022 presented for comparative purposes was derived from the Company’s audited consolidated financial statements but does not include all disclosures required by U.S. GAAP. The results for the three and nine months ended September 30, 2023 are not necessarily indicative of the operating results to be expected for the full year or for any other subsequent interim period.

The Company’s significant accounting policies are disclosed in the audited consolidated financial statements for the year ended December 31, 2022 included in the Annual Report. There have been no changes to the Company’s significant accounting policies since the date of the audited consolidated financial statements for the year ended December 31, 2022 included in the Annual Report.

Principles of Consolidation

These unaudited condensed consolidated financial statements of the Company include the accounts of the Company and its wholly-owned subsidiary, Repare Therapeutics USA Inc. (“Repare USA”), which was incorporated under the laws of Delaware on June 1, 2017. The financial statements of Repare USA are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in consolidated financial statements and accompanying notes. Significant estimates and assumptions reflected in these unaudited condensed consolidated financial statements include, but are not limited to, estimates related to revenue recognition, accrued research and development expenses, share-based compensation, right-of-use assets and lease liabilities and income taxes. The Company bases its estimates on historical experience and other market specific or other relevant assumptions that it believes to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are recorded in the period in which they become known.

3. Cash and Cash Equivalents and Marketable Securities

As of September 30, 2023 and December 31, 2022, cash and cash equivalents and marketable securities were comprised of the following:

	<u>Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
	(in thousands)			
As of September 30, 2023				
Cash and cash equivalents:				
Cash	\$ 38,643	\$ —	\$ —	\$ 38,643
Money market funds	68,726	—	—	68,726
Total cash and cash equivalents:	<u>\$ 107,369</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 107,369</u>
Marketable securities:				
U.S. Treasury and government-sponsored enterprises	\$ 42,159	\$ —	\$ (64)	\$ 42,095
Commercial paper	100,797	—	(189)	100,608
Total marketable securities	<u>\$ 142,956</u>	<u>\$ —</u>	<u>\$ (253)</u>	<u>\$ 142,703</u>
As of December 31, 2022				
Cash and cash equivalents:				
Cash	\$ 116,526	\$ —	\$ —	\$ 116,526
Money market funds	42,995	—	—	42,995
Total cash and cash equivalents:	<u>\$ 159,521</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 159,521</u>
Marketable securities:				
U.S. Treasury and government-sponsored enterprises	\$ 184,848	\$ 5	\$ (433)	\$ 184,420
Total marketable securities	<u>\$ 184,848</u>	<u>\$ 5</u>	<u>\$ (433)</u>	<u>\$ 184,420</u>

Interest receivable was \$0.3 million and \$0.4 million as of September 30, 2023 and December 31, 2022, respectively, and is included in other current receivables.

The Company held available-for-sale marketable securities with an aggregate fair value of \$142.7 million and \$157.9 million that were in an unrealized loss position as of September 30, 2023 and December 31, 2022, respectively. These marketable securities have been in an unrealized loss position for less than twelve months. The unrealized losses as of September 30, 2023 and December 31, 2022, were not attributed to credit risk but were primarily associated with changes in interest rates and market liquidity. The Company does not intend to sell these securities and it is more likely than not that it will hold these investments for a period of time sufficient to recover the amortized cost. As a result, the Company did not record an allowance for credit losses or other impairment charges for its marketable securities for the three and nine months ended September 30, 2023 and 2022.

The Company recognized \$0.2 million of net unrealized gain for the three and nine months ended September 30, 2023, respectively, and \$0.5 million of net unrealized loss for the three and nine months ended September 30, 2022, respectively, in other comprehensive loss.

The maturities of the Company's marketable securities as of September 30, 2023 and December 31, 2022 are less than one year.

4. Fair Value Measurements

Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The following table presents information about the Company's financial assets measured at fair value on a recurring basis and indicates the level of the fair value hierarchy utilized to determine such fair values as of September 30, 2023 and December 31, 2022:

Description	Financial Assets	Level 1	Level 2	Level 3
	(in thousands)			
As of September 30, 2023				
Assets				
Money market funds included in cash and cash equivalents	\$ 68,726	\$ 68,726	\$ —	\$ —
Marketable securities				
U.S. Treasury and government-sponsored enterprises	42,095	—	42,095	—
Commercial paper	100,608	—	100,608	—
Total marketable securities	<u>142,703</u>	<u>—</u>	<u>142,703</u>	<u>—</u>
Total financial assets	<u>\$ 211,429</u>	<u>\$ 68,726</u>	<u>\$ 142,703</u>	<u>\$ —</u>
As of December 31, 2022				
Assets				
Money market funds included in cash and cash equivalents	\$ 42,995	\$ 42,995	\$ —	\$ —
Marketable securities				
U.S. Treasury and government-sponsored enterprises	184,420	—	184,420	—
Total financial assets	<u>\$ 227,415</u>	<u>\$ 42,995</u>	<u>\$ 184,420</u>	<u>\$ —</u>

When developing fair value estimates, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. When available, the Company uses quoted market prices to measure the fair value. In determining the fair values at each date presented above, the Company relied on quoted prices for similar securities in active markets or using other inputs that are observable or can be corroborated by observable market data.

During the nine months ended September 30, 2023, there were no transfers between fair value measure levels.

5. Income tax receivable

Income tax receivable in the amount of \$18.1 million as of September 30, 2023 reflects the overpayment of tax installments by the Company's U.S. subsidiary, which resulted from its compliance with the requirement to capitalize and amortize certain specified research and experimental expenditures subject to Section 174 of the Internal Revenue Code of 1986, as amended ("IRC") (as per the Tax Cuts and Jobs Act of 2017), prior to the issuance of interim guidance on September 8, 2023 by the Department of Treasury and the Internal Revenue Service on IRC Section 174 that supports the deduction of certain expenses that would otherwise be treated as specified research and experimental expenditures. The current portion of the income tax receivable is approximately \$15.7 million, which primarily consists of an overpayment of tax installments by the Company's U.S. subsidiary for the 2022 fiscal year, and the long-term portion is approximately \$2.3 million. The Company's U.S. subsidiary received a refund in the amount of \$4.8 million in October 2023.

6. Other Current Receivables

Other current receivables as of September 30, 2023 and December 31, 2022 consisted of the following:

	September 30, 2023	December 31, 2022
	(in thousands)	
Research and development tax credits receivable	\$ 2,328	\$ 1,280
Collaboration revenue receivable	—	1,525
Other	1,403	1,518
Total other current receivables	<u>\$ 3,731</u>	<u>\$ 4,323</u>

7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities as of September 30, 2023 and December 31, 2022 consisted of the following:

	September 30, 2023	December 31, 2022
	(in thousands)	
Accrued compensation and benefits	\$ 5,105	\$ 5,616
Accrued research and development expense	15,013	15,078
Accrued professional services	508	680
Other	103	271
Total accrued expenses and other current liabilities	<u>\$ 20,729</u>	<u>\$ 21,645</u>

8. Collaboration and License Agreements

The following table presents revenue from collaboration agreements:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Roche Collaboration and License Agreement	\$ 1,659	\$ 112,344	\$ 11,796	\$ 112,344
Bristol Myers Squibb Collaboration and License Agreement	500	201	15,817	1,288
Ono Collaboration Agreement	—	—	10,473	—
Total revenue	<u>\$ 2,159</u>	<u>\$ 112,545</u>	<u>\$ 38,086</u>	<u>\$ 113,632</u>

(a) Roche Collaboration and License Agreement

In June 2022, the Company entered into a collaboration and license agreement (the “Roche Agreement”) with Hoffmann-La Roche Inc. and F. Hoffmann-La Roche Ltd (collectively, “Roche”) regarding the development and commercialization of the Company’s product candidate camonsertib (also known as RP-3500) and specified other Ataxia-Telangiectasia and Rad3-related protein kinase (“ATR”) inhibitors (the “Licensed Products”). The transaction was subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and other customary closing conditions, which were met on July 13, 2022 (the “Effective Date”). Pursuant to the Roche Agreement, the Company granted Roche a worldwide, perpetual, exclusive, sublicensable license to develop, manufacture, and commercialize the Licensed Products, as well as a non-exclusive, sublicensable license to certain related companion diagnostics. The Company has agreed to complete specified ongoing clinical trials in accordance with the development plan in the Roche Agreement, as well as ongoing investigator sponsored trials (together, the “Continuing Trials”) at the Company’s expense. Roche assumes all subsequent development of camonsertib with the potential to expand development into additional tumors and multiple combination studies. The Company retained the right to conduct specified clinical trials (the “Repare Trials”) of camonsertib in combination with the Company’s PKMYT1 compound (also known as lunresertib). The Roche Agreement also provides the Company, at its sole discretion, with the ability to opt-in to a 50/50 U.S. co-development and profit share arrangement, including participation in U.S. co-promotion if U.S. regulatory approval is received. If the Company chooses to exercise its co-development and profit share option, it will continue to be eligible to receive certain clinical, regulatory, commercial and sales milestone payments, in addition to full ex-U.S. royalties.

The Roche Agreement was subsequently amended in October 2022 to extend the timeline to negotiate in good faith the parties’ rights and obligations with respect to the Repare Trials, as defined in the Roche Agreement, and to clarify indications included in the development plan that are subject to milestones.

Under the terms of the Roche Agreement, the Company received an upfront, nonrefundable payment of \$125.0 million in July 2022. The Company also received an additional payment of \$4.0 million negotiated with Roche for revisions to the clinical development plan under the Roche Agreement as agreed to by the parties at the time of the Effective Date. The Company further received \$5.6 million for the transfer of clinical trial material on hand to Roche, as agreed to pursuant to the Roche Agreement. In addition, in February 2023, the Company became entitled to receive an additional payment of \$4.0 million, negotiated with Roche for additional revisions to the clinical development plan under the Roche Agreement, which was received in April 2023. The Company is eligible to receive up to \$1.172 billion in potential clinical, regulatory, commercial and sales milestones, as well as royalties on global net sales ranging from high-single-digits to high-teens, subject to certain specified reductions. Royalties are payable by Roche on a product by product and country by country basis until the later of 12 years following the first commercial sale of a licensed product in such country or the expiration of certain exclusivity rights.

The Roche Agreement will expire upon the last to expire royalty term or, as applicable, the end of the U.S. co-development and profit share arrangement. Additionally, Roche may terminate the agreement for convenience in its entirety or on a product by product or country by country basis subject to certain notice periods. Either party may terminate earlier upon the other party's uncured material breach of the agreement or insolvency. Subject to the terms of the Roche Agreement, effective upon termination of the Roche Agreement, the Company is entitled to retain specified licenses to be able to continue to exploit the Licensed Products.

The Company assessed the Roche Agreement in accordance with ASC 606, Revenue from Contracts with Customers, and concluded that Roche is a customer within the context of the agreement. At inception, the Company identified several performance obligations under the agreement, being (i) the combination of the exclusive perpetual license to the Licensed Products and the non-exclusive license to certain companion diagnostics, (ii) the research and development activities related to the completion of the Continuing Trials, as well as (iii) the transfer of clinical trial materials on hand. The Company determined that the exclusive license to the Licensed Products and the non-exclusive license to certain companion diagnostics should be combined into one distinct performance obligation as they were not capable of being distinct from each other within the context of the agreement given both are highly interdependent of each other. The Company determined that the combined licenses, the completion of the Continuing Trials and the transfer of clinical trial materials were all capable of being distinct and were distinct within the context of the Roche Agreement given such activities are independent of each other and Roche could benefit from either separately.

The Company determined that the transaction price at the onset of the agreement was \$134.6 million, being the total non-refundable upfront payment received of \$125.0 million, the additional \$4.0 million payment received and the \$5.6 million received for the transfer of clinical trial materials. Additional consideration is to be paid to the Company upon the achievement of multiple clinical, regulatory and sales milestones. The Company utilized the most likely method approach and concluded that these amounts were constrained based on the probability of achievement. As such, the Company excluded this additional consideration from the transaction price.

The Company allocated the transaction price at the onset of the agreement of \$134.6 million to each performance obligation based on the relative stand-alone selling price of each performance obligation at inception. The Company determined the estimated stand-alone selling price at contract inception of the combined licenses by applying a probability adjusted discounted cashflow model which forecasts future cash flows related to the licenses. The Company considered applicable market conditions and relevant entity-specific factors, including those factors contemplated in negotiating the agreement, probability of success, discount rate and the time needed to commercialize a product pursuant to the license. The Company determined the estimated stand-alone selling price at contract inception of the research and development activities required to complete the Continuing Trials based on internal estimates of the costs to perform the services, inclusive of a reasonable profit margin. Significant inputs used to determine the total costs to complete the Continuing Trials included the length of time required, the internal hours as well as external costs expected to be incurred, the number of patients and the number of clinical and investigator sponsored trials. The Company determined the stand-alone selling price of the clinical trial materials transferred based on the purchase price from external vendors, without applying a markup as the materials have a built-in margin from the external vendors.

In February 2023, the Company received a further payment of \$4.0 million negotiated with Roche for additional revisions to the clinical development plan. The Company determined that the scope and the price of the contract had increased as a result of these additional changes and thus reflected a contract modification under ASC 606. The additional services were assessed to be not distinct from the ongoing performance obligation related to the completion of the Continuing Trials but distinct from the other performance obligations. No adjustment was therefore made to the two previously completed performance obligations, being the combined licenses and the transfer of clinical trial materials. The transaction price was updated for the additional consideration of \$4.0 million, which has been allocated to the completion of the Continuing Trials performance obligation.

Based on the relative stand-alone selling price, the allocation of the transaction price to the separate performance obligations is as follows:

Performance obligation	<u>Transaction price</u> (in thousands)
Combined licenses	\$ 105,327
Completion of Continuing Trials	30,585
Transfer of clinical trial materials	2,714
Total transaction price	<u>\$ 138,626</u>

Revenue associated with the combined licenses was recognized at a point in time upon the transfer of the licenses to Roche on the Effective Date of the Roche Agreement as the Company concluded that the combined licenses were a functional intellectual property license that Roche could benefit from as of the time of grant. Revenue associated with the transfer of clinical trial materials was recognized at a point in time upon delivery of the clinical trial materials to Roche in the year ended December 31, 2022. Revenue

associated with the completion of the Continuing Trials has been deferred and will be recognized on a proportional performance basis over the period of time to complete the Continuing Trials using input-based measurements of total costs of research and development incurred to estimate the proportion performed. Progress towards completion is remeasured at the end of each reporting period.

Deferred revenue pertaining to the Roche Agreement	Completion of Continuing Trials	
	(in thousands)	
Balance as of December 31, 2022	\$	17,957
Increase in collaboration revenue receivable		4,000
Recognition as revenue, as the result of performance obligations satisfied		(5,312)
Balance as of March 31, 2023	\$	16,645
Recognition as revenue, as the result of performance obligations satisfied		(4,825)
Balance as of June 30, 2023	\$	11,820
Recognition as revenue, as the result of performance obligations satisfied		(1,659)
Balance as of September 30, 2023	\$	10,161
Classified as short-term	\$	7,685
Classified as long-term		2,476

The Company recognized \$1.7 million and \$11.8 million as revenue for the three and nine months ended September 30, 2023, respectively, in recognition of research and development services performed towards the completion of the Continuing Trials under the Roche Agreement. Adjustments to revenue previously recognized based on updated measures of progress related to the completion of the Continuing Trials have been recognized on a cumulative catch-up basis in the three and nine months ended September 30, 2023.

The Company recognized \$112.3 million for the three and nine months ended September 30, 2022 as revenue associated with the Roche Agreement, of which \$105.3 million related to the grant of the combined licenses, \$2.7 million related to the clinical trial materials transferred, and \$4.3 million related to the partial recognition of deferred revenue for research and development services performed towards the completion of the Continuing Trials during the period.

As of September 30, 2023, there was \$10.2 million (December 31, 2022 -\$18.0 million) of deferred revenue related to the Roche Agreement, of which \$7.7 million (December 31, 2022 - \$15.3 million) was classified as current and \$2.5 million (December 31, 2022 - \$2.7 million) was classified as non-current in the condensed consolidated balance sheet based on the period the services to complete the Continuing Trials are expected to be performed.

(b) Bristol-Myers Squibb Collaboration and License Agreement

In May 2020, the Company entered into a collaboration and license agreement (the "BMS Agreement") with Bristol-Myers Squibb Company ("Bristol Myers Squibb"), pursuant to which the Company and Bristol Myers Squibb have agreed to collaborate in the research and development of potential new product candidates for the treatment of cancer. The Company is providing Bristol Myers Squibb access to a selected number of its existing screening campaigns and novel campaigns. The Company is responsible for carrying out early-stage research activities directed to identifying potential targets for potential licensing by Bristol Myers Squibb, in accordance with a mutually agreed upon research plan, and will be solely responsible for such costs. The collaboration consists of programs directed to both druggable targets and to targets commonly considered undruggable to traditional small molecule approaches. Upon Bristol Myers Squibb's election to exercise its option to obtain exclusive worldwide licenses for the subsequent development, manufacturing and commercialization of a program, Bristol Myers Squibb will then be solely responsible for all such worldwide activities and costs.

The collaboration term will expire 42 months after the effective date of the BMS Agreement. The BMS Agreement will expire, assuming that Bristol Myers Squibb has exercised at least one option for a program, on a licensed product-by-licensed product and country-by-country basis on expiration of the applicable royalty term and in its entirety upon expiration of the last royalty term. Either party may terminate earlier upon an uncured material breach of the agreement by the other party, or the insolvency of the other party. Additionally, Bristol Myers Squibb may terminate the BMS Agreement for any or no reason on a program-by-program basis upon specified written notice.

Under the terms of the BMS Agreement, Bristol Myers Squibb paid the Company an initial nonrefundable upfront fee of \$50.0 million in June 2020. The Company is also entitled to receive up to \$301.0 million in total milestones on a program-by-program basis, consisting of \$176.0 million in the aggregate for certain specified research, development and regulatory milestones and \$125.0 million

in the aggregate for certain specified commercial milestones. The Company is further entitled to a tiered percentage royalty on annual net sales ranging from high-single digits to low-double digits, subject to certain specified reductions.

The Company assessed the BMS Agreement in accordance with ASC 606, Revenue from Contracts with Customers, and concluded that Bristol Myers Squibb is a customer based on the agreement structure. At inception, the Company identified several performance obligations under the BMS Agreement, being (i) research activities for each campaign over the collaboration term, as well as (ii) a selected number of material rights associated with options to obtain exclusive development, manufacturing, and commercial licenses to targets identified. The Company determined that the options to obtain the exclusive development, manufacturing and commercialization licenses were material rights under ASC 606 because there are minimal amounts to be paid to the Company upon exercise of such options.

The Company determined that the transaction price at the onset of the BMS Agreement is the total non-refundable upfront payment received of \$50.0 million. Additional consideration is to be paid to the Company upon the exercise of options to license targets and future milestone payments. The Company utilized the most likely method approach and concluded that these amounts were constrained as they represent option fees and milestone payments that can only be achieved subsequent to option exercises. As such, the Company excluded this additional consideration from the transaction price.

The Company has allocated the transaction price of \$50.0 million to each performance obligation based on the relative stand-alone selling price of each performance obligation at inception, which was determined based on each performance obligation's estimated stand-alone selling price. The Company has determined the estimated stand-alone selling price at contract inception of the research activities based on internal estimates of the costs to perform the services, inclusive of a reasonable profit margin. Significant inputs used to determine the total costs to perform the research activities included the length of time required, the internal hours expected to be incurred on the services and the number and costs of various studies that will be performed to complete the research plan. The Company determined the estimated stand-alone selling price at contract inception of the material rights associated with options to obtain exclusive licenses to druggable targets and undruggable targets based on the fees Bristol Myers Squibb would pay to exercise these options, the probability-weighted value of expected future cash flows associated with each license related to each target and the probability that these options would be exercised by Bristol Myers Squibb. In developing such estimates, the Company also considered applicable market conditions and relevant entity-specific factors, including those factors contemplated in negotiating the agreement, probability of success and the time needed to commercialize a product candidate pursuant to the associated license. Based on the relative stand-alone selling price, the allocation of the transaction price to the separate performance obligations was as follows:

Performance obligation	<u>Transaction price</u> (in thousands)
Research activities	\$ 6,405
Options to license druggable targets	31,148
Options to license undruggable targets	12,447
Total transaction price	<u>\$ 50,000</u>

Revenue associated with the options has been deferred and will be recognized at the point in time when options to license are exercised by Bristol Myers Squibb or upon expiry of such options. Revenue associated with the research activities has been deferred and will be recognized on a proportional performance basis over the period of service for research activities, being the collaboration term, using input-based measurements of total costs of research incurred to estimated proportion performed. Progress towards completion is remeasured at the end of each reporting period.

Deferred revenue pertaining to the BMS Agreement	Research activities	Options to license druggable targets	Options to license undruggable targets	Total
	(in thousands)			
Balance as of December 31, 2022	\$ 2,448	\$ 12,459	\$ 12,447	\$ 27,354
Recognition as revenue, as the result of performance obligations satisfied	(366)	-	-	(366)
Balance as of March 31, 2023	\$ 2,082	\$ 12,459	\$ 12,447	\$ 26,988
Increase in collaboration revenue receivable	-	1,250	-	1,250
Recognition as revenue, as the result of performance obligations satisfied	(1,242)	(13,709)	-	(14,951)
Balance as of June 30, 2023	\$ 840	\$ -	\$ 12,447	\$ 13,287
Recognition as revenue, as the result of performance obligations satisfied	(500)	-	-	(500)
Balance as of September 30, 2023	\$ 340	\$ -	\$ 12,447	\$ 12,787
Classified as short-term	\$ 340	\$ -	\$ 12,447	\$ 12,787

The Company recognized \$0.5 million and \$2.1 million as revenue for the three and nine months ended September 30, 2023, respectively, and \$0.2 million and \$1.3 million for the three and nine months ended September 30, 2022, respectively, in recognition of deferred revenue for research activities performed under the BMS Agreement.

In May 2023, Bristol Myers Squibb exercised its option for a druggable target and in June 2023, Bristol Myers Squibb waived its rights to exercise an option for a druggable target. As a result, the Company recognized nil and \$12.7 million as revenue related to druggable targets for the three and nine months ended September 30, 2023, respectively (nil for the three and nine months ended September 30, 2022), including the option fee of \$0.25 million, which was received in July 2023.

In May 2023, Bristol Myers Squibb also triggered a \$1.0 million further development election for a previously exercised druggable target, which was received in July 2023. As such, the Company recognized nil and \$1.0 million for this specified research milestone as revenue during the three and nine months ended September 30, 2023, respectively (nil for the three and nine months ended September 30, 2022).

As of September 30, 2023, there was \$12.8 million (December 31, 2022 - \$27.4 million) of deferred revenue related to the BMS Agreement, which was classified as current in the condensed consolidated balance sheet based on the period the services are expected to be performed, the expected timing of potential option exercises for undruggable targets, and the expected expiry of the BMS Agreement.

(c) Ono Collaboration Agreement

In January 2019, the Company entered into a research services, license and collaboration agreement, or the Ono Agreement, with Ono Pharmaceutical Company Ltd., or Ono, pursuant to which the Company and Ono agreed to collaborate in the research of potential product candidates targeting Polθ and the development of the Company's small molecule Polθ inhibitor program. The Company was primarily responsible for carrying out research activities to identify a product candidate, to be licensed to Ono, in accordance with a mutually agreed upon research plan during a research term that will end upon the earlier of the date of the first submission of an Investigational New Drug application ("IND") in the United States or Japan, or the end of the research term. In the event that Ono elected to collaborate on the subsequent development and commercialization of the proposed product candidate, Ono would then have been responsible for such activities in Japan, South Korea, Taiwan, Hong-Kong, Macau and the Association of Southeast Asian Nations (collectively, the "Ono territory"), and the Company would have then been responsible for all such activities in the rest of the world outside the Ono territory, including the United States, Canada and European Union. In such instance, Ono would have been responsible for a specified percentage of research and developments costs for the IND-enabling studies of the selected product candidate.

In October 2021, the Company and Ono entered into an amendment to the Ono Agreement whereby the research term, as defined in the Ono Agreement, was extended by one year. In January 2023, the Company and Ono entered into a second amendment to the Ono Agreement whereby the Research Term, as defined in the Ono Agreement, was extended until July 31, 2023.

Pursuant to the terms of the Ono Agreement, the Company received initial upfront payments of ¥900 million (\$8.1 million). These upfront payments were recorded as deferred revenue and were to be recognized as revenue at the point in time when a product candidate was licensed to Ono pursuant to the terms of the agreement, reflecting the single performance obligation under the Ono Agreement in accordance with the Company's assessment of the arrangement under ASC 606. In addition, in connection with the research activities

to be conducted pursuant to the Ono Agreement, the Company was eligible to receive additional research service payments of up to an aggregate of ¥750 million (\$6.5 million) upon the occurrence of certain specified research triggers. In October 2021 and December 2022, the Company achieved specified research triggers amounting to ¥100 million (\$0.9 million) and ¥200 million (\$1.5 million), respectively, as research service payments provided for in the Ono Agreement. These amounts were added to the transaction price under the arrangement and were recorded as deferred revenue. The Company was further entitled to receive clinical, regulatory and commercial milestone payments of up to ¥17.21 billion (\$149.5 million) in the aggregate, plus a tiered percentage royalty on annual net sales in Ono's Territory ranging from high-single digits to low teens, subject to specified reductions.

Deferred revenue pertaining to the Ono Agreement	Research activities
	(in thousands)
Balance as of December 31, 2022	\$ 10,473
Recognition as revenue, as the result of performance obligations satisfied	-
Balance as of March 31, 2023	\$ 10,473
Recognition as revenue, as the result of performance obligations satisfied	(10,473)
Balance as of June 30, 2023	\$ -

In June 2023, the Company and Ono determined not to further extend the Term of the Ono Agreement. As a result, no product candidate will be licensed to Ono pursuant to the terms of Agreement. The Company recognized nil and \$10.5 million as revenue for the three and nine months ended September 30, 2023, respectively (nil for the three and nine months ended September 30, 2022) with regards to the performance obligation under the Ono Agreement. In July 2023, Ono provided the Company with a formal notice to terminate the Ono Agreement without cause as defined in the Ono Agreement. As a result of this termination, all rights to the Polθ program have reverted to the Company.

9. Leases

The Company has historically entered into lease arrangements for its facilities. As of September 30, 2023, the Company had four operating leases with required future minimum payments. The Company's leases generally do not include termination or purchase options.

In January 2023, and as further amended in April 2023, the Company entered into a lease renewal agreement for office and laboratory space located in Montréal, Québec, for a thirty-two month term, ending in August 2025.

Operating Leases

The following tables contain a summary of the lease costs recognized under ASC 842 and other information pertaining to the Company's operating leases for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Operating Leases				
Lease Costs				
Operating lease costs	\$ 593	\$ 614	\$ 1,779	\$ 1,845
Short-term lease costs	39	9	86	24
Variable lease costs	86	32	186	132
Total lease costs	<u>\$ 718</u>	<u>\$ 655</u>	<u>\$ 2,051</u>	<u>\$ 2,001</u>

	Nine Months Ended September 30,	
	2023	2022
	(in thousands, except as specified otherwise)	
Other Operating Lease Information		
Operating cash flows used for operating leases	\$ 1,799	\$ 1,334
Right-of-use assets obtained in exchange for new operating lease liability	\$ 149	\$ 56
Weighted-average remaining lease term (in years)	1.70	2.67
Weighted-average discount rate	4.1%	4.0%

10. Share-Based Compensation

2020 Employee Share Purchase Plan

In June 2020, the Company's board of directors adopted, and the Company's shareholders approved the 2020 Employee Share Purchase Plan (the "ESPP"). The maximum number of common shares that may be issued under the ESPP was initially 327,000. Additionally, the number of shares reserved and available for issuance under the ESPP automatically increases each January 1, beginning on January 1, 2021 and each January 1 thereafter through January 31, 2030, by the lesser of (1) 1.0% of the total number of common shares outstanding on December 31 of the preceding calendar year, (2) 3,300,000 common shares, or (3) such smaller number of common shares as the Company's board of directors may designate. As of September 30, 2023, the total number of common shares that may be issued under the ESPP is 1,411,426.

The ESPP enables eligible employees to purchase common shares of the Company at the end of each offering period at a price equal to 85% of the fair market value of the shares on the first business day or the last business day of the offering period, whichever is lower. Participation in the ESPP is voluntary. Eligible employees become participants in the ESPP by enrolling in the plan and authorizing payroll deductions. At the end of each offering period, accumulated payroll deductions are used to purchase the Company's shares at the discounted price. The Company makes no contributions to the ESPP. A participant may withdraw from the ESPP or suspend contributions to the ESPP. If the participant elects to withdraw during an offering, all contributions are refunded as soon as administratively practicable. If a participant elects to withdraw or suspend contributions, they will not be able to re-enroll in the current offering but may elect to participate in future offerings. The ESPP purchases only whole shares of the Company's shares. ESPP offering periods occur on a rolling six-month basis.

The Company issued 75,608 common shares under the ESPP during the nine months ended September 30, 2023 at a weighted-average price per share of \$9.11. Cash received from purchases under the ESPP for the nine months ended September 30, 2023 was \$0.7 million.

Option Plan and 2020 Plan

In December 2016, as further amended in December 2017 and September 2019, the Company adopted the Repare Therapeutics Inc. Option Plan (the "Option Plan") for the issuance of share options and other share-based awards to directors, officers, employees or consultants. The Option Plan authorized up to 4,074,135 shares of the Company's common shares to be issued.

In June 2020, the Company's board of directors adopted, and the Company's shareholders approved the 2020 Equity Incentive Plan (the "2020 Plan"). The 2020 Plan became effective on the effective date of the IPO, at which time the Company ceased granting awards under the Option Plan. The 2020 Plan allows the Company's compensation committee to grant equity-based and cash-based incentive awards to the Company's officers, employees, directors and consultants including but not limited to stock options and restricted share units. A total of 3,600,000 common shares were initially reserved for issuance under the 2020 Plan, plus the number of shares (not to exceed 3,807,448 shares) consisting of (i) 298,605 common shares that were available for the issuance of awards under the Option Plan at the time the 2020 Plan became effective, which ceased to be available for future issuance under the Option Plan at such time and (ii) any shares subject to outstanding options or other share awards that were granted under the Option Plan that terminate or expire prior to exercise or settlement; are forfeited because of the failure to vest; or are reacquired or withheld (or not issued) to satisfy a tax withholding obligation or the purchase or exercise price. In addition, the number of shares reserved and available for issuance under the 2020 Plan will automatically increase each January 1, beginning on January 1, 2021 and each January 1 thereafter through January 1, 2030, by 5% of the outstanding number of common shares on the immediately preceding December 31, or such lesser number of shares as determined by the Company's board of directors. As of September 30, 2023, the total number of common shares reserved for issuance under the 2020 Plan is 10,033,406.

Inducement Grant

In May 2023, the Compensation Committee of the Board of Directors approved the grant of an inducement award to a newly hired member of the senior leadership team. The equity award, which was granted outside of the 2020 Plan, was an inducement material to such executive entering into employment with the Company, in accordance with Nasdaq Listing Rule 5635(c)(4). The stock option award to purchase an aggregate of 240,000 of the Company's common shares has a ten-year term and an exercise price of \$9.83 per share. The award has terms and conditions consistent with those set forth under the 2020 Plan and vests under the similar vesting schedules as stock option awards granted under the 2020 Plan. The inducement grant is included in the stock options table below.

Stock Options

Total outstanding stock options as of September 30, 2023 was as follows:

	Number of shares	Weighted average exercise price
Outstanding at January 1, 2023	8,032,902	\$ 14.38
Granted	2,306,940	\$ 11.73
Exercised	(17,450)	\$ 2.65
Cancelled or forfeited	(234,801)	\$ 14.99
Outstanding at September 30, 2023	10,087,591	\$ 13.78

During the nine months ended September 30, 2023, an aggregate of 17,450 options were exercised at a weighted-average exercise price of \$2.65 per share.

The fair value of stock options, and the assumptions used in the Black Scholes option-pricing model to determine the grant date fair value of stock options granted to employees and non-employees were as follows, presented on a weighted average basis:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Fair value of stock options	\$ 7.77	\$ 8.45	\$ 8.31	\$ 9.40
Risk-free interest rate	4.36 %	2.89 %	3.71 %	2.09 %
Expected terms (in years)	6.08	6.08	6.01	5.98
Expected volatility	81.73 %	81.20 %	81.49 %	78.82 %
Expected dividend yield	0.00 %	0.00 %	0.00 %	0.00 %

Restricted Share Units

Total outstanding restricted share units as of September 30, 2023 was as follows:

	Number of shares	Weighted average grant date fair value
Outstanding at January 1, 2023	—	\$ -
Awarded	626,260	\$ 12.42
Forfeited	(21,300)	\$ 12.42
Outstanding at September 30, 2023	604,960	\$ 12.42

The fair value of each restricted share unit is estimated on the date of grant based on the fair value of our common shares on that same date.

Share-Based Compensation

Share-based compensation expense was allocated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Research and development	\$ 3,339	\$ 2,600	\$ 9,887	\$ 7,351
General and administrative	3,038	2,453	8,817	7,202
Total share-based compensation expense	\$ 6,377	\$ 5,053	\$ 18,704	\$ 14,553

Share-based compensation expense by type of award was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Stock options	\$ 5,678	\$ 4,969	\$ 16,776	\$ 14,376
Restricted share units	625	—	1,670	—
ESPP	74	84	258	177
Total share-based compensation expense	\$ 6,377	\$ 5,053	\$ 18,704	\$ 14,553

As of September 30, 2023, there was \$43.0 million and \$5.9 million of unrecognized share-based compensation expense to be recognized over a weighted average period of 1.6 years and 2.3 years related to unvested stock options and unvested restricted share units, respectively.

11. Net (Loss) Income per Share

The following table summarizes the computation of basic and diluted net (loss) income per share attributable to common shareholders of the Company:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands, except share and per share amounts)			
Numerator:				
Net (loss) income	\$ (18,879)	\$ 75,461	\$ (65,766)	\$ 2,611
Denominator:				
Weighted-average common shares outstanding — basic	42,102,685	41,945,617	42,077,857	41,902,554
Dilutive impact of outstanding stock options and shares issuable under the ESPP	—	2,231,759	—	2,257,927
Weighted-average common shares outstanding — diluted	42,102,685	44,177,376	42,077,857	44,160,481
Net (loss) income per share				
Basic	\$ (0.45)	\$ 1.80	\$ (1.56)	\$ 0.06
Diluted	\$ (0.45)	\$ 1.71	\$ (1.56)	\$ 0.06

The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net (loss) income per share attributable to common shareholders for the periods indicated because including them would have had an anti-dilutive effect:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Options to purchase common shares	10,087,591	5,255,255	10,087,591	5,255,255
Restricted share units	604,960	—	604,960	—
Estimated shares issuable under the ESPP	6,830	—	6,830	—

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with (i) our unaudited condensed consolidated financial statements and related notes, appearing elsewhere in this Quarterly Report on Form 10-Q and (ii) the audited consolidated financial statements and related notes and management’s discussion and analysis of financial condition and results of operations for the fiscal year ended December 31, 2022 included in our Annual Report on Form 10-K, or the Annual Report, filed with the Securities and Exchange Commission, or the SEC, on February 28, 2023. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business and related financing, contains forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the “Risk Factors” sections of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2022, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a leading clinical-stage precision oncology company enabled by our proprietary synthetic lethality approach to the discovery and development of novel therapeutics. Synthetic lethality, or SL, represents a clinically validated approach to drug development. We use our proprietary, genome-wide, CRISPR-enabled SNIPRx platform to systematically discover and develop highly targeted cancer therapies focused on genomic instability, including DNA damage repair. SL arises when a deficiency in either of two genes is tolerated in cells, but simultaneous deficiencies in both genes cause cell death. Cancer cells that contain a mutation in one gene of a SL pair are susceptible to therapeutic intervention targeting the other gene pair. Using our SNIPRx platform, we are developing our pipeline of SL product candidates, including our initial product candidate, camonsertib (also known as RP-3500 or RG6526), a potent and selective oral small molecule inhibitor of ATR (Ataxia-Telangiectasia and Rad3-related protein kinase) for the treatment of solid tumors with specific DNA damage repair-related genomic alterations, including those in the ATM gene (ataxia telangiectasia mutated kinase) as part of a network of 16 STEP²-identified genomic alterations. In July 2020, we began dosing patients in our Phase 1/2 TRESR (Treatment Enabled by SNIPRx) clinical trial of camonsertib in advanced solid tumors and, in August 2021, we began dosing patients in our Phase 1b/2 ATTACC clinical trial of camonsertib to evaluate the safety and efficacy of camonsertib in combination with approved poly (ADP-ribose) polymerase, or PARP, inhibitors, olaparib and niraparib, in patients with molecularly selected cancers. In April 2022, we presented comprehensive Phase 1 monotherapy clinical data from the TRESR Phase 1/2 clinical trial. In June 2022, we entered into a worldwide license and collaboration agreement with Hoffmann-La Roche Inc. and F. Hoffmann-La Roche Ltd, collectively referred to as Roche, for the development and commercialization of camonsertib. In April 2023, we presented initial clinical data on camonsertib in combination with the three PARP inhibitors from the ongoing Phase 1/2 TRESR and Phase 1b/2 ATTACC clinical trials in a plenary oral presentation at the 2023 AACR Annual Meeting. In June 2023, we published data from the ongoing Phase 1/2 TRESR clinical trial in *Nature Medicine*.

In April 2021, we initiated our Phase 1 MYTHIC clinical trial for lunresertib (also known as RP-6306), our PKMYT1 (Protein Kinase Membrane-associated tyrosine- and threonine-specific cdc-2 inhibitory kinase) SL inhibitor, as a monotherapy for the treatment of molecularly selected advanced solid tumors, and announced the achievement of clinical proof of concept based on initial monotherapy data from the Phase 1 MYTHIC clinical trial and early insights from ongoing combination trials in June 2023. We initiated Phase 1 combination studies of lunresertib with gemcitabine (MAGNETIC) in December 2021, camonsertib (MYTHIC) in May 2022, and FOLFIRI (MINOTAUR) in August 2022, each for the treatment of molecularly selected advanced solid tumors. In the fourth quarter of 2022, we received fast track designation for lunresertib in combination with gemcitabine for the treatment of adult patients with CCNE1-amplified, or FBXW7, or PPP2R1A mutated platinum resistant ovarian cancer and in August 2023, we received fast track designation for lunresertib in combination with camonsertib for the treatment of adult patients with CCNE1 amplified, or FBXW7 or PPP2R1A mutated endometrial cancer previously treated with a platinum-containing regimen and immune checkpoint inhibitor where indicated. Based on promising preclinical data we released at the 34th EORTC-NCI-AACR Symposium in October 2022, we are working with clinical investigators to initiate clinical testing, as part of an investigator-sponsored trial, or IST, of a fourth lunresertib combination with carboplatin and paclitaxel for the treatment of recurrent gynecological malignancies, with the first patient expected to be dosed this year. In the fourth quarter of 2022, we entered into an agreement with Canadian Cancer Trials Group, or CCTG, for a planned, basket Phase 2 IST that is enrolling patients with selected, advanced cancers receiving lunresertib as combination with gemcitabine (NCT05605509), and in a second active study that will evaluate lunresertib in combination with gemcitabine in patients with CDK4/6 inhibitor treated ER+/HER2- metastatic breast cancer (NCT05601440). In October 2023, we announced positive initial data from Modules 1 and 2 of our ongoing Phase 1 MYTHIC clinical trial evaluating lunresertib alone and in combination with camonsertib showing early efficacy signals across multiple tumor types and in each genotype selected, along with a favorable safety and tolerability profile. We reported this data at a plenary session titled, “New Drugs on the Horizon” at the AACR-NCI-EORTC International Conference on Molecular Targets and Cancer Therapeutics.

We continue to focus on the advancement of our preclinical programs into clinical development. We initiated IND-enabling studies in the first half of 2023 for a small molecule, now designated RP-1664, against an undisclosed target with potential to enter the clinic in

the first half of 2024. We also initiated IND-enabling studies for our newly designated polymerase theta, or Polθ, inhibitor, RP-3467, in June 2023. RP-3467 has shown greater potency in preclinical studies compared to RP-2119, our first Polθ inhibitor designated in 2022, and we expect to enter the clinic in the second half of 2024. With the termination of the Ono Agreement, our Polθ program, including RP-3467, is wholly-owned by Repare.

Since our inception in September 2016, we have focused primarily on raising capital, organizing and staffing our company, conducting discovery and research activities, identifying potential SL gene pairs, establishing and protecting our intellectual property portfolio including for our proprietary SNIPRx platform, developing and progressing our product candidates through preclinical studies and preparing for clinical trials and establishing arrangements with third parties for the manufacture of initial quantities of our product candidates and component materials. On June 23, 2020, we completed our initial public offering, or IPO, whereby we issued an aggregate of 12,650,000 common shares, which includes the exercise in full of the underwriters' option to purchase up to an additional 1,650,000 common shares, at a public offering price of \$20.00 per share. The aggregate net proceeds received by us from the IPO were approximately \$232.0 million, after deducting underwriting commissions and offering expenses of \$3.2 million. On November 1, 2021, we completed a follow-on offering, or the 2021 Offering, whereby we issued 4,600,000 common shares, including the exercise in full by the underwriters of their option to purchase up to 600,000 additional common shares, at a public offering price of \$22.00 per share, for net proceeds of \$94.3 million, after deducting underwriting commissions as well as offering expenses of \$0.8 million. Prior to our IPO, we had funded our operations primarily through equity financings, having raised an aggregate of approximately \$135.2 million of gross proceeds from the sale of our preferred shares and \$15.0 million of gross proceeds from the issuance of a warrant to acquire our common shares. As of September 30, 2023, we had cash and cash equivalents and marketable securities on hand of \$250.1 million.

Since inception, we have incurred significant operating losses. Our net losses were \$29.0 million and \$106.9 million for the years ended December 31, 2022 and 2021, respectively, and \$65.8 million for the nine months ended September 30, 2023. As of September 30, 2023, we had an accumulated deficit of \$305.1 million. We expect to continue to incur significant and increasing expenses and operating losses for the foreseeable future, as we advance our product candidates, including lunresertib, through preclinical and clinical development and seek regulatory approvals, manufacture drug product and drug supply, maintain and expand our intellectual property portfolio. Our net losses are also expected to be impacted as we hire additional personnel, pay for accounting, audit, legal, regulatory and consulting services, and pay costs associated with maintaining compliance with Nasdaq listing rules and the SEC requirements, directors and officers, or D&O, insurance, investor and public relations activities and other expenses associated with operating as a public company. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our preclinical studies, our clinical trials, our expenditures on other research and development activities, and our revenue and expenses recognized from collaboration and license agreements.

We do not have any products approved for sale. We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates, if ever. In addition, if we obtain regulatory approval for our product candidates and do not enter into a third-party commercialization partnership, we expect to incur significant expenses related to developing our commercialization capability to support product sales, marketing, manufacturing and distribution activities. As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity offerings and debt financings or other sources, such as potential collaboration agreements, strategic alliances and licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on acceptable terms, or at all. Our failure to raise capital or enter into such agreements as, and when, needed, could have a negative effect on our business, results of operations and financial condition.

Macroeconomic Considerations

Unfavorable conditions in the economy in the United States, Canada and abroad may negatively affect the growth of our business and our results of operations. For example, macroeconomic events, including the COVID-19 pandemic, rising inflation, the U.S. Federal Reserve raising interest rates, disruptions in access to bank deposits or lending commitments due to bank failures and the Russia-Ukraine and Hamas-Israel wars, have led to economic uncertainty globally. The effect of macroeconomic conditions may not be fully reflected in our results of operations until future periods. If, however, economic uncertainty increases or the global economy worsens, our business, financial condition and results of operations may be harmed. For further discussion of the potential impacts of macroeconomic events on our business, financial condition, and operating results, see the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022.

Recent Developments

- **Advancing lunresertib (RP-6306), a first-in-class, oral PKMYT1 inhibitor, for the treatment of molecularly selected advanced solid tumors.**

- Presented initial positive data from Modules 1 and 2 of our ongoing Phase 1 MYTHIC trial evaluating lunresertib alone and in combination with camonsertib in patients with advanced solid tumors harboring *CCNE1* amplification or *FBXW7* or *PPP2R1A* deleterious alterations (NCT04855656) at the 2023 AACR-NCI-EORTC International Conference and additional data from a later cut-off date in a virtual webcast event we hosted.
 - As of the September 5, 2023 data cut-off date as presented during our virtual webcast event, we reported that 67 patients were enrolled in Module 1 (monotherapy) and 59 patients in Module 2 (combination therapy).
 - In the Module 2 cohort at the combination preliminary recommended Phase 2 dose (RP2D):
 - Protocol-defined overall response (OR) (RECIST or GCIG CA-125 responses) was observed to be 33.3% (N=18). Clinical benefit rate (CBR) (overall response or stable disease of at least 16 weeks without tumor progression) was 50.0%.
 - In the cohort of patients with gynecologic tumors, the RECIST response was 50%, OR was 60%, and CBR was 70%. These patients also had a median of 3 and up to 9 prior lines of therapy, before administration of lunresertib.
 - In all evaluable patients in the trial, across all doses (N=55), OR was 23.6% and CBR was 41.8%.
 - RECIST responses in this ongoing combination trial included 8 confirmed and 3 unconfirmed partial responses (PR). Additionally, 3 patients with ovarian tumors had cancer antigen 125 (CA-125) responses.
 - Encouraging and highly manageable safety and tolerability was observed for the combination therapy arm of the trial (N=59). The most common treatment-related adverse event (TRAE) was anemia, with Grade 3 occurring in 42% of patients enrolled in the trial:
 - 35% of patients did not develop anemia at the preliminary RP2D. Generally, those with Grade 3 anemia had the lowest hemoglobin values at the time of trial enrollment, were intensely pretreated with greater than 4 prior therapies and were of advanced age.
 - The anemia reported by patients in the trial usually improved after a one-week treatment interruption and standard supportive care, and did not lead to any therapy discontinuations for patients who received treatment at the preliminary RP2D.
 - There were no Grade 4 or Grade 5 TRAEs reported at the preliminary RP2D.
 - This data indicates that anemia management can be individualized and alleviated with simple patient monitoring. This approach is now being tested in the expansion cohorts of the MYTHIC trial.
 - We expect to report additional combination therapy data from the expansion cohorts of the MYTHIC trial in the second half of 2024.
 - We expect to report initial data from our ongoing Phase 1 MINOTAUR trial evaluating lunresertib in combination with FOLFIRI (NCT05147350) in the first half of 2024. Additionally, we expect to report initial updated data from our ongoing Phase 1 MAGNETIC trial evaluating lunresertib in combination with gemcitabine (NCT05147272) in the second half of 2024.
 - We are collaborating with Princess Margaret Cancer Center to initiate clinical testing, as part of an investigator-sponsored trial (IST), of a fourth lunresertib combination with carboplatin and paclitaxel for the treatment of recurrent gynecological malignancies, with first patient dosing expected to take place by the end of this year.
 - We are also collaborating with the Canadian Cancer Trials Group in an ongoing basket Phase 2 IST that is enrolling patients with selected, advanced cancers receiving lunresertib as combination with gemcitabine (NCT05605509), and in a second active trial that will evaluate lunresertib in combination with gemcitabine in patients with CDK4/6 inhibitor treated ER+/HER2- metastatic breast cancer (NCT05601440).
- **Advancing camonsertib (RP-3500 / RG6526), a potent and selective oral small molecule inhibitor of ATR (Ataxia-Telangiectasia and Rad3-related protein kinase) for the treatment of tumors with specific synthetic lethal genomic alterations in partnership with Roche.**
 - Roche has included a camonsertib-based arm in its Phase 2, global, multicenter, open-label, multi-cohort TAPISTRY trial (NCT04589845) and its Phase 1/2 study of multiple immunotherapy-based treatment combinations in participants with metastatic non-small cell lung cancer (Morpheus Lung; NCT03337698). We are eligible to receive a milestone payment of \$40 million upon enrollment of the first patient with camonsertib in the TAPISTRY trial, which is

expected by year-end, and could be eligible for an additional \$15 million milestone payment if this study becomes registrational.

- We are continuing to conduct dose optimization and efficacy assessments in tumor specific expansions in the ATTACC clinical trial in collaboration with Roche to support future clinical development plans for camonsertib combinations with PARP inhibitors.
- We also presented clinical and preclinical data from our ongoing Phase 1b TRESR clinical trial evaluating camonsertib in combination with gemcitabine in patients with solid tumors with ATR inhibitor sensitizing mutations at the AACR-NCI-EROTC conference. The latest data cut from the trial continues to show the benefits of combination therapy, which has led to anti-tumor activity in heavily pretreated patients, including 7 patients (N=28) with confirmed or unconfirmed PRs per RECIST, or GCIG CA-125 responses (N=28), with responses observed primarily in patients with gynecologic cancers. Overall molecular response rate (MRR) of 57%, along with 82% decrease in circulating tumor DNA (ctDNA). The combination therapy was found to be safe and well-tolerated to date, with no drug-drug interactions observed. Efficacy assessment is ongoing at the proposed RP2D in patients with ovarian cancer
- **Advancing preclinical programs into clinical development.**
 - RP-1664 IND-enabling studies, which began in the first quarter of 2023, are nearing completion and we expect to initiate a clinical trial in the first half of 2024.
 - RP-3467 is our wholly-owned Polθ inhibitor, currently in IND-enabling studies, which began in the second quarter of 2023 and remain ongoing. We expect to initiate a clinical trial in the second half of 2024.

Components of Results of Operations

Revenue

To date, we have not recognized any revenue from product sales, and we do not expect to generate any revenue from the sale of products in the foreseeable future. If our development efforts for our product candidates are successful and result in regulatory approval, or license agreements with third parties, we may generate revenue in the future from product sales. However, there can be no assurance as to when we will generate such revenue, if at all.

The following table presents revenue from collaboration agreements:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Roche Collaboration and License Agreement	\$ 1,659	\$ 112,344	\$ 11,796	\$ 112,344
Bristol Myers Squibb Collaboration and License Agreement	500	201	15,817	1,288
Ono Collaboration Agreement	—	—	10,473	—
Total revenue	\$ 2,159	\$ 112,545	\$ 38,086	\$ 113,632

Collaboration and License Agreement with Hoffmann-La Roche Inc. and F. Hoffmann-La Roche Ltd

On June 1, 2022, we entered into a collaboration and license agreement, or the Roche Agreement, with Roche regarding the development and commercialization of our product candidate camonsertib (also known as RP-3500 or RG6526) and specified other ATR inhibitors, which we refer to as the Licensed Products. The transaction was subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and other customary closing conditions, which were met on July 13, 2022.

Under the Roche Agreement, we granted Roche a worldwide, perpetual, exclusive, sublicensable license to develop, manufacture, and commercialize the Licensed Products. Roche assumes all subsequent development of camonsertib with the potential to expand development into additional tumors and multiple combination studies. We have agreed to complete specified ongoing clinical trials in accordance with the development plan in the Roche Agreement, as well as ongoing investigator sponsored trials, or together, the Continuing Trials, at our expense. We also retained the right to conduct specified clinical trials of camonsertib in combination with our PKMYT1 compound (also known as lunresertib).

The Roche Agreement was subsequently amended in October 2022 to extend the timeline to negotiate in good faith the parties' rights and obligations with respect to the Repair Trials, as defined in the Roche Agreement, and to clarify indications included in the development plan that are subject to milestones.

Under the terms of the Roche Agreement, we received an upfront payment of \$125 million in July 2022, and are eligible to receive up to \$1.172 billion in potential clinical, regulatory, commercial and sales milestones, as well as royalties on global net sales ranging from high-single-digits to high-teens. The Roche Agreement also provides us with the ability to opt-in to a 50/50 U.S. co-development and profit share arrangement, including participation in U.S. co-promotion if U.S. regulatory approval is received. If we choose to exercise its co-development and profit share option, we will continue to be eligible to receive certain clinical, regulatory, commercial and sales milestone payments, in addition to full ex-U.S. royalties.

We determined that the transaction price at the onset of the Roche Agreement was \$134.6 million, being (i) the total non-refundable upfront payment received of \$125.0 million, (ii) the additional \$4.0 million payment received, negotiated with Roche for revisions to the clinical development plan under the Roche Agreement as agreed at the time of the effective date of the Roche Agreement, and (iii) the \$5.6 million received for the transfer of clinical trial materials.

In February 2023, we received a further payment of \$4.0 million negotiated with Roche for additional revisions to the clinical development plan. We determined that the scope and the price of the Roche Agreement had increased as a result of these additional changes and, thus, reflected a contract modification under ASC 606. The transaction price was updated for the additional consideration of \$4.0 million, which has been allocated to the completion of the Continuing Trials performance obligation.

Performance obligation	Transaction price (in thousands)
Combined licenses	\$ 105,327
Completion of Continuing Trials	30,585
Transfer of clinical trial materials	2,714
Total transaction price	<u>\$ 138,626</u>

Deferred revenue pertaining to the Roche Agreement	Completion of Continuing Trials (in thousands)
Balance as of December 31, 2022	\$ 17,957
Increase in collaboration revenue receivable	4,000
Recognition as revenue, as the result of performance obligations satisfied	(5,312)
Balance as of March 31, 2023	<u>\$ 16,645</u>
Recognition as revenue, as the result of performance obligations satisfied	(4,825)
Balance as of June 30, 2023	<u>\$ 11,820</u>
Recognition as revenue, as the result of performance obligations satisfied	(1,659)
Balance as of September 30, 2023	<u>\$ 10,161</u>
Classified as short-term	\$ 7,685
Classified as long-term	2,476

We recognized \$1.7 million and \$11.8 million as revenue for the three and nine months ended September 30, 2023, respectively in recognition of research and development services performed towards the completion of the Continuing Trials under the Roche Agreement. Adjustments to revenue previously recognized based on updated measures of progress related to the completion of the Continuing Trials have been recognized on a cumulative catch-up basis in the three and nine months ended September 30, 2023.

We recognized \$112.3 million for the three and nine months ended September 30, 2022 as revenue associated with the Roche Agreement, of which \$105.3 million related to the grant of the combined licenses, \$2.7 million related to the clinical trial materials transferred, and \$4.3 million related to the partial recognition of deferred revenue for research and development services performed towards the completion of the Continuing Trials during the period.

As of September 30, 2023, there was \$10.2 million (December 31, 2022 - \$18.0 million) of deferred revenue related to the Roche Agreement, of which \$7.7 million (December 31, 2022 - \$15.3 million) was classified as current and \$2.5 million (December 31, 2022 - \$2.7 million) was classified as non-current in the condensed consolidated balance sheet based on the period the services to complete the Continuing Trials are expected to be performed.

Collaboration and License Agreement with Bristol-Myers Squibb Company

In May 2020, we entered into a collaboration and license agreement, or the BMS Agreement, with the Bristol Myers Squibb Company, or Bristol Myers Squibb, pursuant to which we and Bristol Myers Squibb have agreed to collaborate in the research and development of potential new product candidates for the treatment of cancer. We are providing Bristol Myers Squibb access to a selected

number of our existing screening campaigns and novel campaigns. We are responsible for carrying out early-stage research activities directed to identifying potential targets for potential licensing by Bristol Myers Squibb. The collaboration consists of programs directed to both druggable targets and to targets commonly considered undruggable to traditional small molecule approaches. In the event that Bristol Myers Squibb elects to obtain an exclusive license for the subsequent development, manufacturing and commercialization of a program, Bristol Myers Squibb will then be solely responsible for all such worldwide activities.

The BMS Agreement was subsequently amended in July, September and November 2020 to include additional campaigns to the list of existing campaigns from which Bristol Myers Squibb may select campaigns under the BMS Agreement and to enable unblinding of a Bristol Myers Squibb alliance manager in order to streamline the collaboration process. The BMS Agreement was also amended in May 2023 to extend review periods for specified targets.

As part of the BMS Agreement, Bristol Myers Squibb paid us an initial upfront fee of \$50.0 million and made an equity investment of \$15.0 million in our company. We will also be eligible to receive up to \$3.0 billion in total milestones across all potential programs. Such milestones consist of \$301.0 million in total milestones per program subject upon the achievement of certain specified research, development, regulatory and commercial milestones.

The \$50.0 million upfront payment was recorded as deferred revenue on our consolidated balance sheet and is expected to be partially recognized at the point in time when option licenses are exercised by Bristol Myers Squibb, with the remainder being recognized on a proportional performance basis over the period of service for research services.

	<u>Transaction price</u> (in thousands)
Research activities	\$ 6,405
Options to license druggable targets	31,148
Options to license undruggable targets	12,447
Total transaction price	<u>\$ 50,000</u>

Deferred revenue pertaining to the BMS Agreement	Research activities	Options to license druggable targets	Options to license undruggable targets	Total
	(in thousands)			
Balance as of December 31, 2022	\$ 2,448	\$ 12,459	\$ 12,447	\$ 27,354
Recognition as revenue, as the result of performance obligations satisfied	(366)	-	-	(366)
Balance as of March 31, 2023	<u>\$ 2,082</u>	<u>\$ 12,459</u>	<u>\$ 12,447</u>	<u>\$ 26,988</u>
Increase in collaboration revenue receivable	-	1,250	-	1,250
Recognition as revenue, as the result of performance obligations satisfied	(1,242)	(13,709)	-	(14,951)
Balance as of June 30, 2023	<u>\$ 840</u>	<u>\$ -</u>	<u>\$ 12,447</u>	<u>\$ 13,287</u>
Recognition as revenue, as the result of performance obligations satisfied	(500)	-	-	(500)
Balance as of September 30, 2023	<u>\$ 340</u>	<u>\$ -</u>	<u>\$ 12,447</u>	<u>\$ 12,787</u>
Classified as short-term	\$ 340	\$ -	\$ 12,447	\$ 12,787

We recognized \$0.5 million and \$2.1 million as revenue for the three and nine months ended September 30, 2023, respectively, and \$0.2 million and \$1.3 million for the three and nine months ended September 30, 2022, respectively, in recognition of deferred revenue for research activities performed under the BMS Agreement.

In May 2023, Bristol Myers Squibb exercised its option for a druggable target and in June 2023, Bristol Myers Squibb waived its rights to exercise an option for a druggable target. As a result, we recognized nil and \$12.7 million as revenue related to druggable targets for the three and nine months ended September 30, 2023, respectively (nil for the three and nine months ended September 30, 2022), including the option fee payment of \$0.25 million, which was received in July 2023.

In May 2023, Bristol Myers Squibb also triggered a \$1.0 million further development election for a previously exercised druggable target, which was received in July 2023. As such, we recognized nil and \$1.0 million for this specified research milestone as revenue during the three and nine months ended September 30, 2023, respectively (nil for the three and nine months ended September 30, 2022).

As of September 30, 2023, there was \$12.8 million (December 31, 2022 - \$27.4 million) of deferred revenue related to the BMS Agreement, which was classified as current in the condensed consolidated balance sheet based on the period the services are expected to be performed, the expected timing of potential option exercises for undruggable targets, and the expected expiry of the BMS Agreement.

Collaboration Agreement with Ono Pharmaceutical Company Ltd.

In January 2019, we entered into a research services, license and collaboration agreement, or the Ono Agreement, with Ono Pharmaceutical Company Ltd., or Ono, pursuant to which we and Ono agreed to collaborate in the research of potential product candidates targeting Polθ and the development of our small molecule Polθ inhibitor program. Pursuant to the terms of the agreement, we received initial upfront payments of approximately \$8.1 million. These upfront payments were recorded as deferred revenue on our consolidated balance sheet as per our revenue recognition accounting policy and were to be recognized as revenue at the point in time when a product candidate was licensed to Ono pursuant to the terms of the agreement.

In October 2021 and December 2022, we achieved specified research triggers amounting to ¥100 million (\$0.9 million) and ¥200 million (\$1.5 million), respectively, as research service payments provided for in the Ono Agreement. The ¥200 million (\$1.5 million) was included in the collaboration revenue receivable at December 31, 2022 and was subsequently received in January 2023. These amounts were added to the transaction price as the consideration was no longer constrained.

In October 2021, we and Ono entered into an amendment to the Ono Agreement whereby the research term, as defined in the Ono Agreement, was extended by one year. In January 2023, we and Ono entered into a second amendment to the Ono Agreement whereby the Research Term, as defined in the Ono Agreement, was extended until July 31, 2023.

In June 2023, we and Ono determined not to further extend the term of the Ono Agreement. As a result, no product candidate will be licensed to Ono pursuant to the terms of the Ono Agreement. We recognized nil and \$10.5 million as revenue for the three and nine months ended September 30, 2023, respectively (nil for the three and nine months ended September 30, 2022), with regards to the performance obligation under the Ono Agreement. In July 2023, Ono provided us with a formal notice to terminate the Ono Agreement without cause as defined in the Ono Agreement. As a result of this termination, all rights to the Polθ program have reverted back to us.

Deferred revenue pertaining to the Ono Agreement	Research activities
	(in thousands)
Balance as of December 31, 2022	\$ 10,473
Recognition as revenue, as the result of performance obligations satisfied	-
Balance as of March 31, 2023	\$ 10,473
Recognition as revenue, as the result of performance obligations satisfied	(10,473)
Balance as of June 30, 2023	\$ -

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including our drug discovery efforts and the development of our product candidates, partially offset by fully refundable Canadian research and development tax credits. We expense research and development costs as incurred, which include:

- external research and development expenses incurred under agreements with contract research organizations, or CROs, as well as investigative sites and consultants that conduct our clinical trials, preclinical studies and other scientific development services;
- employee-related expenses, including salaries, bonuses, benefits, share-based compensation, and other related costs for those employees involved in research and development efforts;
- costs related to manufacturing material for our preclinical studies and clinical trials, including fees paid to contract manufacturing organizations, or CMOs;
- laboratory supplies and research materials;
- upfront, milestone and maintenance fees incurred under license, acquisition and other third-party agreements;

- costs related to compliance with regulatory requirements; and
- facilities, depreciation, scientific advisory board and other allocated expenses, which include direct and allocated expenses for rent, maintenance of facilities and equipment, insurance, equipment and software.

Costs for certain activities are recognized based on an evaluation of the progress to completion of specific tasks using data such as information provided to us by our vendors and analyzing the progress of our studies or other services performed. Significant judgment and estimates are made in determining the accrued expense or prepaid balances at the end of any reporting period.

We characterize research and development costs incurred prior to the identification of a product candidate as discovery costs. We characterize costs incurred once a product candidate has been identified as development costs.

Our direct external research and development expenses consist primarily of fees paid to outside consultants, CROs, CMOs and research laboratories in connection with our preclinical development, process development, manufacturing and clinical development activities. Our direct external research and development expenses also include fees incurred under license, acquisition, and option agreements. We track these external research and development costs on a program-by-program basis once we have identified a product candidate.

We do not allocate employee costs, costs associated with our discovery efforts, laboratory supplies, and facilities, including depreciation or other indirect costs, to specific programs because these costs are deployed across multiple programs and, as such, are not separately classified. We use internal resources primarily to conduct our research and discovery activities as well as for managing our preclinical development, process development, manufacturing, and clinical development activities.

The following table summarizes our research and development costs:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Discovery costs				
Direct external costs*	\$ 2,239	\$ 2,428	\$ 5,800	\$ 7,763
Laboratory supplies and research materials	813	1,134	2,846	3,541
Personnel related costs*	2,705	2,581	8,968	8,582
Facilities related costs	404	322	1,143	1,101
Other costs*	1,019	1,056	2,867	3,134
	<u>7,180</u>	<u>7,521</u>	<u>21,624</u>	<u>24,121</u>
Development				
Direct external costs				
Camonsertib program*	5,017	6,441	16,729	19,512
Lunresertib program*	7,757	6,439	22,109	18,592
RP-1664 program	1,551	—	4,851	—
RP-3467 and Polθ program	1,534	2,179	4,558	3,198
Personnel related costs*	8,400	6,778	25,531	20,071
Facilities related costs	225	200	642	606
Other costs*	1,350	1,993	3,331	4,110
	<u>25,834</u>	<u>24,030</u>	<u>77,751</u>	<u>66,089</u>
R&D tax credits	(305)	(309)	(1,048)	(1,035)
Total research and development costs	<u>\$ 32,709</u>	<u>\$ 31,242</u>	<u>\$ 98,327</u>	<u>\$ 89,175</u>

*Certain amounts have been reclassified for presentation purposes.

The successful development of our product candidates is highly uncertain. We plan to substantially increase our research and development expenses for the foreseeable future as we continue the development of our product candidates and manufacturing processes and conduct discovery and research activities for our preclinical programs. We cannot determine with certainty the timing of initiation, the duration, or the completion costs of current or future preclinical studies and clinical trials of our product candidates due to the inherently unpredictable nature of preclinical and clinical development. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. We anticipate that we will make determinations as to which product candidates to pursue and how much funding to direct to each product candidate on an ongoing basis in response to the results of ongoing and future preclinical studies and clinical trials, regulatory developments, and our ongoing assessments as to each product candidate's commercial potential. We will need to raise substantial additional capital in the future. Our clinical development costs are expected to increase significantly as we commence clinical trials. We anticipate that our expenses will increase substantially, particularly due to the numerous risks and uncertainties associated with developing product candidates, including the uncertainty of:

- the scope, rate of progress, and expenses of our ongoing research activities as well as any preclinical studies, clinical trials and other research and development activities;
- establishing an appropriate safety profile;
- successful enrollment in and completion of clinical trials;
- whether our product candidates show safety and efficacy in our clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- commercializing product candidates, if and when approved, whether alone or in collaboration with others; and
- continued acceptable safety profile of products following any regulatory approval.

Any changes in the outcome of any of these variables with respect to the development of our product candidates in preclinical and clinical development could mean a significant change in the costs and timing associated with the development of these product candidates. We may never succeed in achieving regulatory approval for any of our product candidates. We may obtain unexpected results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of some product candidates or focus on other product candidates. For example, if the U.S. Food and Drug Administration, or the FDA, the European Medicines Agency, or EMA, or another regulatory authority were to delay our planned start of clinical trials or require us to conduct clinical trials or other testing beyond those that we currently expect or if we experience significant delays in enrollment in any of our ongoing and planned clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development of that product candidate.

General and Administrative Expenses

General and administrative expense consists primarily of employee related costs, including salaries, bonuses, benefits, share-based compensation and other related costs, as well as expenses for outside professional services, including legal, accounting and audit services and other consulting fees, rent expense, directors and officers insurance expenses, investor and public relations expenses and other general administrative expenses.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research activities and development of our product candidates. We also anticipate that we will continue to incur significant accounting, audit, legal, regulatory, compliance and directors and officers' insurance costs as well as investor and public relations expenses.

Other Income (Expense), Net

Other income (expense), net consists primarily of realized and unrealized gains and losses on foreign exchange, interest income earned on cash and cash equivalents and marketable securities, and other expenses such as interest and bank charges.

Realized and unrealized gains and losses on foreign exchange consist of realized and unrealized gains and losses from holding cash and foreign currency denominated other receivables, accounts payable, accrued expenses and other current liabilities as well as operating lease liabilities.

Results of Operations

Comparison of the Three Months Ended September 30, 2023 and 2022

The following table summarizes our results of operations for the three months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Change
	2023	2022 (in thousands)	
Revenue:			
Collaboration agreements	\$ 2,159	\$ 112,545	\$ (110,386)
Operating expenses:			
Research and development, net of tax credits	32,709	31,242	1,467
General and administrative	7,868	7,904	(36)
Total operating expenses	40,577	39,146	1,431
(Loss) income from operations	(38,418)	73,399	(111,817)
Other income (expense), net			
Realized and unrealized (loss) gain on foreign exchange	(40)	126	(166)
Interest income	3,312	2,027	1,285
Other expense	(32)	(37)	5
Total other income, net	3,240	2,116	1,124
(Loss) income before income taxes	(35,178)	75,515	(110,693)
Income tax recovery (expense)	16,299	(54)	16,353
Net (loss) income	\$ (18,879)	\$ 75,461	\$ (94,340)

Revenue

Revenue was \$2.2 million for the three months ended September 30, 2023, compared to \$112.5 million for three months ended September 30, 2022. The decrease of \$110.3 million was due to:

- a \$110.6 million decrease in revenue recognized under the Roche Agreement mainly as a result of the \$108.0 million revenue recognized in the third quarter of 2022 pursuant to the satisfaction of our performance obligations for the issuance of the combined licenses and the clinical trial materials transferred; and
- a \$0.3 million increase in deferred revenue recognized under the BMS Agreement mainly as a result of the deferred revenue allocated to the performance obligations for research activities performed.

Research and Development Expenses, Net of Tax Credits

Research and development expenses were \$32.7 million for the three months ended September 30, 2023, compared to \$31.2 million for the three months ended September 30, 2022. The increase of \$1.5 million was primarily due to:

- a \$0.6 million increase in direct external costs as a result of a \$2.8 million increase in costs with the advancement of clinical trials for lunresertib and IND-enabling studies for RP-1664, partially offset by a \$1.4 million decrease in costs with the transition of the camonsertib program to Roche, a \$0.6 million decrease in Polθ external costs and a \$0.2 million decrease in discovery related costs;
- a \$1.7 million increase in personnel-related costs, including a \$0.7 million increase in share-based compensation costs; and
- a \$0.8 million decrease in other research and development costs.

General and Administrative Expenses

General and administrative expenses were \$7.9 million for the three months ended September 30, 2023, compared to \$7.9 million for the three months ended September 30, 2022. The nil change in general and administrative expenses consisted of:

- a \$1.0 million increase in personnel related costs, including a \$0.6 million increase in share-based compensation costs;
- a \$0.6 million decrease in our D&O insurance premium due to lower renewal premiums;
- a \$0.5 million decrease related to lower professional fees associated with the timing of services provided; and

- a \$0.1 million increase in other general and administrative costs including IT costs.

Other Income (Expense), Net

Other income, net was \$3.2 million and \$2.1 million for the three months ended September 30, 2023 and 2022, respectively. The increase of \$1.1 million was primarily attributable to higher interest income due to higher interest rates.

Income Tax Recovery (Expense)

The income tax recovery of \$16.3 million for the three months ended September 30, 2023 reflected the taxable income in our U.S. subsidiary partially offset by federal and state research and development tax credits, as well as a prior period favorable adjustment in U.S. income taxes.

The income tax expense of \$0.1 million for the three months ended September 30, 2022 primarily reflected U.S. federal and state research and development tax credits generated, offset by taxable income in our U.S. subsidiary.

Comparison of the Nine Months Ended September 30, 2023 and 2022

The following table summarizes our results of operations for the nine months ended September 30, 2023 and 2022:

	Nine Months Ended September 30,		Change
	2023	2022	
	(in thousands)		
Revenue:			
Collaboration agreements	\$ 38,086	\$ 113,632	\$ (75,546)
Operating expenses:			
Research and development, net of tax credits	98,327	89,175	9,152
General and administrative	25,116	24,621	495
Total operating expenses	123,443	113,796	9,647
(Loss) income from operations	(85,357)	(164)	(85,193)
Other income (expense), net			
Realized and unrealized (loss) gain on foreign exchange	(137)	250	(387)
Interest income	10,228	2,700	7,528
Other expense	(73)	(56)	(17)
Total other income, net	10,018	2,894	7,124
(Loss) income before income taxes	(75,339)	2,730	(78,069)
Income tax recovery (expense)	9,573	(119)	9,692
Net (loss) income	\$ (65,766)	\$ 2,611	\$ (68,377)

Revenue

Revenue was \$38.1 million for the nine months ended September 30, 2023, compared to \$113.6 million for nine months ended September 30, 2022. The decrease of \$75.5 million was due to:

- a \$100.5 million decrease in revenue recognized under the Roche Agreement a result of the \$108.0 million revenue recognized in the third quarter of 2022 pursuant to the satisfaction of our performance obligations for the issuance of the combined licenses and the clinical trial materials transferred, partially offset by higher deferred revenue recognized for the Roche Agreement as the agreement became effective in July 2022;
- \$14.5 million increase in revenue recognized under the BMS Agreement mainly for the deferred revenue allocated to the satisfaction of our performance obligations for two options to license druggable targets; and
- \$10.5 million increase in deferred revenue recognized under the Ono Agreement as a result of the termination of the Ono Agreement.

Research and Development Expenses, Net of Tax Credits

Research and development expenses were \$98.3 million for the nine months ended September 30, 2023, compared to \$89.2 million for the nine months ended September 30, 2022. The increase of \$9.1 million was primarily due to:

- a \$5.0 million increase in direct external costs as a result of a \$9.7 million increase in costs with the advancement of clinical trials for lunresertib and IND-enabling studies for RP-1664 and Pol0, partially offset by a \$2.8 million decrease in costs with the transition of the camonsertib program to Roche and a \$1.9 million decrease in discovery related costs;
- a \$5.8 million increase in personnel-related costs, including a \$2.5 million increase in share-based compensation costs; and
- a \$1.7 million decrease in other research and development costs, including lower laboratory supplies and research materials.

General and Administrative Expenses

General and administrative expenses were \$25.1 million for the nine months ended September 30, 2023, compared to \$24.6 million for the nine months ended September 30, 2022. The increase of \$0.5 million in general and administrative expenses consisted of:

- a \$3.1 million increase in personnel related costs, including a \$1.6 million increase in share-based compensation costs;
- a \$1.9 million decrease in our D&O insurance premium due to lower renewal premiums;
- a \$1.1 million decrease related to lower professional fees associated with the Roche Agreement signed in 2022; and
- a \$0.4 million increase in other general and administrative costs including IT and travel costs.

Other Income (Expense), Net

Other income, net was \$10.0 million and \$2.9 million for the nine months ended September 30, 2023 and 2022, respectively. The increase of \$7.1 million was primarily attributable to higher interest income due to higher sums invested in cash and cash equivalents and marketable securities as well as higher interest rates.

Income Tax Recovery (Expense)

The income tax recovery of \$9.6 million for the nine months ended September 30, 2023 reflected the taxable income in our U.S. subsidiary partially offset by federal and state research and development tax credits, as well as a prior period favorable adjustment in U.S. income taxes.

The income tax expense of \$0.1 million for the nine months ended September 30, 2022 primarily reflected U.S. federal and state research and development tax credits generated, offset by taxable income in our U.S. subsidiary.

Liquidity and Capital Resources

Since our inception, we have not recognized any revenue from product sales and have incurred operating losses and negative cash flows from our operations. We have not yet commercialized any product and we do not expect to generate revenue from sales of any products for several years, if at all. On June 2020, we completed our IPO whereby we issued an aggregate of 12,650,000 common shares, which includes the exercise in full of the underwriters' option to purchase up to an additional 1,650,000 common shares, at a public offering price of \$20.00 per share. The aggregate net proceeds received by us from the IPO were \$232.0 million, after deducting underwriting commissions, and offering expenses of \$3.2 million. In November 2021, we completed a follow-on offering whereby we issued 4,600,000 common shares, including the exercise in full by the underwriters of their option to purchase up to 600,000 additional common shares, at a public offering price of \$22.00 per share, for net proceeds of \$94.3 million, after deducting underwriting commissions as well as offering expenses of \$0.8 million.

In August 2022, we entered into a Common Shares Sale Agreement, or the Sales Agreement, with Cowen and Company, LLC as sales agent, pursuant to which we may issue and sell common shares from time to time, or the ATM Shares. The ATM Shares to be sold under the Sales Agreement, if any, will be issued and sold pursuant to our shelf registration statement on Form S-3 (File No. 333-257668), up to a maximum aggregate amount of \$125.0 million. No shares have been issued under the Sales Agreement as of the date of this Quarterly Report on Form 10-Q.

Prior to our IPO, we had funded our operations primarily through equity financings, having raised an aggregate of approximately \$135.2 million of gross proceeds from the sale of our preferred shares and \$15.0 million of gross proceeds from the issuance of a warrant to acquire our common shares. We have also received initial upfront and additional payments of approximately \$60.5 million in the aggregate from partnerships with Ono for our Pol0 inhibitor program and Bristol Myers Squibb for research and development of potential

new product candidates for the treatment of cancer. In June 2022, we entered into a collaboration and license agreement with Roche for camonsertib and have received initial payments under the terms of the Roche Agreement in the aggregate amount of \$138.6 million.

We expect to incur significant expenses and operating losses for the foreseeable future as we advance our product candidates through preclinical and clinical development, seek regulatory approval and pursue commercialization of any approved product candidates and we will continue to incur additional costs associated with operating as a public company. We expect that our research and development and general and administrative costs will increase in connection with our planned research and development activities.

Beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct certain U.S.-based research and development expenditures in the current fiscal year and required taxpayers to amortize them over five years pursuant to Section 174 of the Internal Revenue Code of 1986, as amended, or IRC. This provision increased our year-to-date 2023 and 2022 cash payments of income taxes significantly as compared to 2021 in compliance with IRC Section 174. In September 2023, new interim guidance was issued by the Department of Treasury and the Internal Revenue Service on IRC Section 174 that supports the deduction of such expenses. An income tax receivable in the amount of \$18.1 million as of September 30, 2023 reflects the overpayment of tax installments by our U.S. subsidiary, of which \$4.8 million was received in October 2023. Any changes to tax legislation may materially affect our cash flows. Changes in our tax provisions or an increase in our tax liabilities, whether due to changes in applicable laws and regulations or our interpretation or application thereof, could have a material adverse effect on our financial position, results of operations and/or cash flows.

As of September 30, 2023, our cash and cash equivalents and marketable securities on hand was \$250.1 million. We believe that our existing cash and cash equivalents and marketable securities on hand will be sufficient to fund our anticipated operating and capital expenditure requirements into 2026. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our capital resources sooner than we expect. If we receive regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing, and distribution, depending on where we choose to commercialize. We may also require additional capital to pursue in-licenses or acquisitions of other product candidates.

Because of the numerous risks and uncertainties associated with research, development, and commercialization of our product candidates, we are unable to estimate the exact amount of our working capital requirements. Our future capital requirements will depend on many factors, including:

- the initiation, timing, costs, progress and results of our product candidates, including our ongoing Phase 1 clinical trials of lunresertib;
- the progress of preclinical development and possible clinical trials of our current earlier-stage programs;
- the scope, progress, results and costs of our research programs and preclinical development of any additional product candidates that we may pursue;
- the development requirements of other product candidates that we may pursue;
- our headcount growth and associated costs as we expand our research and development and establish a commercial infrastructure;
- the timing and amount of milestone and royalty payments that we are required to make or eligible to receive under our current or future collaboration agreements, including the Roche Agreement;
- the outcome, timing and cost of meeting regulatory requirements established by the FDA, EMA and other regulatory authorities;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our product candidates for which we or our collaborators receive marketing approval;
- the cost of expanding, maintaining and enforcing our intellectual property portfolio, including filing, prosecuting, defending and enforcing our patent claims and other intellectual property rights;
- the cost of defending potential intellectual property disputes, including patent infringement actions brought by third parties against us or any of our product candidates;
- the effect of competing technological and market developments;
- the cost and timing of completion of commercial-scale manufacturing activities;
- the extent to which we partner our programs, acquire or in-license other product candidates and technologies or enter into additional strategic collaborations;

- the revenue, if any, received from commercial sales of camonsertib, lunresertib and any future product candidates for which we or our collaborators receive marketing approval; and
- the costs of operating as a public company.

Until such time, if ever, as we can generate substantial product revenues to support our cost structure, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations and other similar arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common shareholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, or other similar arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us and/or may reduce the value of our common shares. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our product candidates even if we would otherwise prefer to develop and market such product candidates ourselves.

Cash Flows

Comparison of the Nine Months Ended September 30, 2023 and 2022

The following table summarizes our cash flows for each of the periods presented:

	Nine Months Ended September 30,		Change
	2023	2022	
	(in thousands)		
Net cash (used in) provided by operating activities	\$ (99,002)	\$ 29,959	\$ (128,961)
Net cash provided by (used in) investing activities	46,162	(209,836)	255,998
Net cash provided by financing activities	737	715	22
Effect of exchange rate fluctuations on cash held	(49)	(74)	25
Net Decrease In Cash And Cash Equivalents	<u>\$ (52,152)</u>	<u>\$ (179,236)</u>	<u>\$ 127,084</u>

Operating Activities

Net cash used in operating activities was \$99.0 million for the nine months ended September 30, 2023, reflecting a net loss of \$65.8 million and a net change of \$49.2 million in our net operating assets, offset by non-cash charges of \$16.0 million. The non-cash charges primarily consist of share-based compensation for option and restricted share unit grants to employees, as well as depreciation expense and non-cash lease expense, offset by the net accretion of marketable securities. The change in our net operating assets was primarily due to \$32.8 million of deferred revenue being recognized, a \$19.3 million tax recovery and a \$1.6 million decrease in operating lease liability, offset by an increase of \$4.6 million in accounts payable.

Net cash provided by operating activities was \$30.0 million for the nine months ended September 30, 2022, reflecting a net income of \$2.6 million, a net change of \$14.4 million in net operating assets and non-cash charges of \$13.0 million. The non-cash charges primarily consist of share-based compensation for option grants to employees, as well as depreciation expense, and non-cash lease expense offset by deferred taxes. The change in our net operating assets was primarily due to a net increase of \$11.4 million related to balances in deferred revenues and collaboration revenue receivable from the Roche Agreement.

The \$129.0 million increase in cash used in operating activities for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 is primarily due to increases in our research and development expenses, as we advance our various programs, and in income taxes paid offset by receipts related to our collaboration agreements and interest income.

Investing Activities

Net cash provided by investing activities was \$46.2 million for the nine months ended September 30, 2023 and resulted primarily from the proceeds on maturities of marketable securities offset by purchases of marketable securities and property and equipment.

Net cash used in investing activities was \$209.8 million for the nine months ended September 30, 2022 and resulted primarily from the purchases of marketable securities.

Financing Activities

Net cash provided by financing activities was \$0.7 million primarily consisting of net proceeds from the issuance of common shares under the ESPP for the nine months ended September 30, 2023.

Net cash provided by financing activities was \$0.7 million consisting of net proceeds from the exercise of stock options and issuance of common shares under the ESPP for the nine months ended September 30, 2022.

Material Cash Requirements

There were no material changes to our material cash requirements during the nine months ended September 30, 2023 from those described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Annual Report.

Critical Accounting Estimates

This management’s discussion and analysis is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these unaudited condensed consolidated financial statements requires us to make judgments and estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of expenses during the reported periods. We base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts, and experience. The effects of material revisions in estimates, if any, will be reflected in the consolidated financial statements prospectively from the date of change in estimates.

There have been no significant changes to our critical accounting estimates from those described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Annual Report.

Recently Adopted Accounting Pronouncements

See Note 2 to our annual consolidated financial statements included in the Annual Report for a description of recent accounting pronouncements applicable to our financial statements.

Filer Status

Because the market value of our common shares held by non-affiliates was between \$250 million and \$700 million as of June 30, 2023 and our revenue for the year ended December 31, 2022 was more than \$100 million, we will be deemed an accelerated filer under the Exchange Act as of December 31, 2023. In addition, we will lose our status as a “smaller reporting company” and no longer be eligible to rely on the scaled disclosure exemptions available to smaller reporting companies starting with the filing of our first Quarterly Report in 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Under SEC rules and regulations, because we are considered to be a “smaller reporting company”, we are not required to provide the information required by this item in this report.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2023. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving the desired control objectives. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions, and cannot provide absolute assurance that its objectives will be met. Similarly, an evaluation of controls cannot provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not currently a party to any material legal proceedings, and we are not aware of any pending or threatened legal proceeding against us that we believe could have an adverse effect on our business, operating results or financial condition.

Item 1A. Risk Factors.

Investing in our common shares involves a high degree of risk. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risks described in the Annual Report, including the disclosure therein under Part I, Item 1A, "Risk Factors," before deciding whether to invest in our common shares. These are not the only risks facing our business. Other risks and uncertainties that we are not currently aware of or that we currently consider immaterial also may materially adversely affect our business, financial condition and future results. Risks we have identified but currently consider immaterial could still also materially adversely affect our business, financial condition and future results of operations if our assumptions about those risks are incorrect or if circumstances change.

There were no material changes during the period covered in this report to the risk factors previously disclosed in Part I, Item 1A of the Annual Report, except as follows:

Enacted and future healthcare legislation may increase the difficulty and cost for us to progress our clinical programs and obtain marketing approval of and commercialize our product candidates and may affect the prices we may set.

In the United States and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes to the healthcare system that could affect our future results of operations. For example, in March 2010, the Patient Protection and Affordable Care Act, or the ACA, was enacted, which substantially changed the way healthcare is financed by both governmental and private insurers. Among the provisions of the ACA, those of greatest importance to the pharmaceutical and biotechnology industries include the following:

- an annual, non-deductible fee payable by any entity that manufactures or imports certain branded prescription drugs and biologic agents (other than those designated as orphan drugs), which is apportioned among these entities according to their market share in certain government healthcare programs;
- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;
- a licensure framework for follow on biologic products;
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and
- establishment of a Center for Medicare & Medicaid Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

There have been judicial, Congressional and executive branch challenges to certain aspects of the ACA. For example, on June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Moreover, prior to the U.S. Supreme Court ruling, on January 28, 2021, President Biden issued an executive order that initiated a special enrollment period for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. Further, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or IRA, into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminates the "donut-hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and through a newly established manufacturer discount program. It is possible

that the ACA will be subject to judicial or Congressional challenges in the future. It is also unclear how any such challenges and other litigation, and further healthcare reform measures of the Biden administration will impact the ACA and our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, led to aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect in April 2013 and, due to subsequent legislative amendments to the statute will remain in effect until 2032 unless additional action is taken by Congress. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacturer price, for single source and innovator multiple source drugs, beginning January 1, 2024. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws or any other similar laws introduced in the future may result in additional reductions in Medicare and other health care funding, which could negatively affect our customers and accordingly, our financial operations.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. Congressional inquiries and proposed and enacted federal legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, and review the relationship between pricing and manufacturer patient programs. For example, in July 2021, the Biden administration released an executive order, "Promoting Competition in the American Economy," with multiple provisions aimed at prescription drugs. In response to Biden's executive order, on September 9, 2021, the U.S. Department of Health and Human Services, or HHS released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions HHS can take to advance these principles. In addition, the IRA, among other things, (1) directs HHS to negotiate the price of certain single source drugs and biologics covered under Medicare and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented. These provisions take effect progressively starting in fiscal year 2023. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the Medicare drug price negotiation program is currently subject to legal challenges. It is currently unclear how the IRA will be implemented, but it is likely to have a significant impact on the pharmaceutical industry. Further, in response to the Biden administration's October 2022 executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the CMS Innovation Center which will be evaluated on their ability to lower the cost of drugs, promote accessibility, and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future. We expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that the U.S. federal government will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common shares.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, as amended and the rules and regulations of The Nasdaq Global Market. Pursuant to Section 404(a) of the Sarbanes-Oxley Act, we are now required to perform system and process evaluation and testing of our internal control over financial reporting to allow our management to report on the effectiveness of our internal control over financial reporting. Furthermore, because the market value of our common shares held by non-affiliates was between \$250 million and \$700 million as of June 30, 2022 and our revenue for the year ended December 31, 2022 was more than \$100 million, we will be deemed an "accelerated filer" under the Exchange Act as of December 31, 2023. While we will be eligible to rely on certain scaled disclosure exemptions available to smaller reporting companies until the filing of our first Quarterly Report on Form 10-Q in 2024, we will be required to comply with Section 404(b) of the Sarbanes Oxley Act starting with our Annual Report on Form 10-K for the year ending December 31, 2023. Section 404(b) of the Sarbanes-Oxley Act requires our independent registered public accounting firm to issue an annual report that addresses the effectiveness of our internal control over financial reporting. Preparing such attestation report and the cost of compliance with reporting requirements that we have not previously implemented will increase our expenses and require significant management time.

During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. Further, we may in the future discover weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of

our financial statements. Moreover, our internal controls over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are unable to assert that our internal control over financial reporting is effective, investors could lose confidence in the reliability of our financial statements, the market price of our common shares could decline and we could be subject to sanctions or investigations by The Nasdaq Global Market, the SEC or other regulatory authorities.

Changes to the tax treatment of research and experimental expenditures as a result of U.S. federal tax legislative changes could increase our tax burden and adversely affect our business and financial condition.

In December 2017, the U.S. government enacted comprehensive tax legislation, the Tax Cuts and Jobs Act of 2017, or TCJA, significantly reformed the Internal Revenue Code of 1986, as amended, or IRC. As a result of this legislation beginning in 2022, research and experimental expenditures subject to IRC Section 174 are no longer deductible in the year they are incurred for US tax purposes. Instead, U.S.-based specified research and experimental expenditures are required to be capitalized and amortized ratably over a five-year period. Any such expenditures attributable to research conducted outside the United States must be capitalized and amortized over a 15-year period. While Congress is considering legislation that would defer or repeal the amortization requirement to later years, on September 8, 2023, the Department of Treasury and the Internal Revenue Service issued interim guidance on IRC Section 174 in view of forthcoming regulations which supports the deduction of certain expenses that would otherwise be treated as specified research and experimental expenditures. Treasury regulations addressing the capitalization and amortization of specified research or experimental expenditures could differ from the interim guidance issued by the Department of Treasury and the Internal Revenue Service which could increase our tax burden and adversely affect our business and financial condition. Changes in our tax provisions or an increase in our tax liabilities, whether due to changes in applicable laws and regulations or our interpretation or application thereof, could have a material adverse effect on our financial position, results of operations and/or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) Recent Sales of Unregistered Securities

None.

(b) Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description	Incorporated by Reference			
		Schedule Form	File Number	Exhibit	Filing Date
3.1	Articles of Continuance of Repare Therapeutics Inc.	8-K	001-39335	3.1	June 23, 2020
3.2	Amended and Restated Bylaws of Repare Therapeutics Inc.	8-K	001-39335	3.2	June 23, 2020
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	Inline XBRL Instance Document				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Inline Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				

* Filed herewith.

** This certification is being furnished solely to accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing of the registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REPARE THERAPEUTICS INC.

Date: November 9, 2023

By: /s/ Lloyd M. Segal

Lloyd M. Segal

President and Chief Executive Officer

(Principal Executive Officer)

Date: November 9, 2023

By: /s/ Steve Forte

Steve Forte

Executive Vice President, Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lloyd M. Segal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Repare Therapeutics Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13(a)-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023

By: /s/ Lloyd M. Segal

Lloyd M. Segal
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steve Forte, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Repare Therapeutics Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13(a)-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023

By: /s/ Steve Forte

Steve Forte
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Repare Therapeutics Inc. (the "Company") for the period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lloyd M. Segal, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023

/s/ Lloyd M. Segal

Lloyd M. Segal

President and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Repare Therapeutics Inc. (the "Company") for the period ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steve Forte, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023

/s/ Steve Forte

Steve Forte

Executive Vice President, Chief Financial Officer
(Principal Financial Officer)
